



Charoen Pokphand Foods Public Company Limited
Sustainability Report 2022



PUT OUR HEART INTO FOOD

*Food innovation
for better life and better world*



CPF
Leads the Way to
Net-Zero



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Definition

"The Company" in this Annual Review refers to Charoen Pokphand Foods Public Company Limited ("CPF") and its subsidiaries.



Annual Report 2022
(56-1 One Report)



Annual Review
2022



Business at a Glance

Scope of business operations consisted of 2 main categories



Thailand Operations

Operates an integrated agro-industrial and food business for domestic distribution in Thailand, as well as export to more than 40 countries worldwide.

International Operations

Operates in integrated agro-industrial and food business across 16 countries outside Thailand namely, Vietnam, China as well as Republic of China (Taiwan), Russia, India, United States, United Kingdom, The Philippines, Cambodia, Malaysia, Türkiye, Laos, Poland, Belgium, Sri Lanka, Canada, and Brazil.

The Company operates in the agro-industrial and integrated food industry, covering a wide range of business from the production of animal feed to the manufacturing of ready-to-eat food products. The businesses are categorized into 3 types based on product characteristics.

Feed Business

Production and distribution of animal feed as well as pet treats

Committed to developing innovation in feed production processes as well as pet treats, while prioritizing environmental conservation, and be socially responsible to the vicinity. In addition, raw material are sourced locally to support local agricultural production and implement the traceability system of raw materials, fostering transparency and trust from stakeholders.



Farm and Processing Business

Animal breeding, farming, and primary processing as well as distribution of meat

The Company leverages modern technology and extensive field experience to foster competitive and environmentally friendly practices. Throughout the entire farm process well-being of animals are prioritized based on international animal welfare principles, in order to produce products of the highest quality and safety that meet international safety standards.



Sales Revenue

614,197 million Baht

Income Tax Paid*

6,120 million Baht

Dividend Paid to Shareholders**

6,291 million Baht

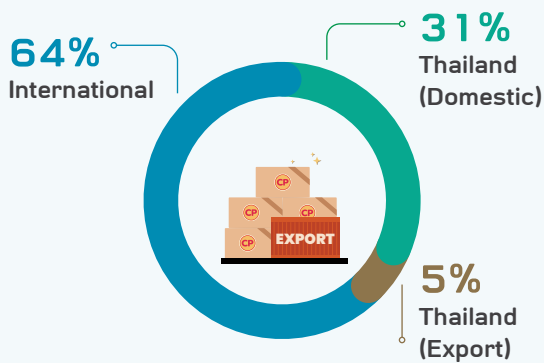
Investment on Human Capital

61,183 million Capital

* Income Tax Paid is from the Statements of cash flows in Consolidated Financial Statements of Charoen Pokphand Foods P.L.C. (CPF) and its subsidiaries.

** The Board of Directors Meeting on 24 February 2023 reached a consensus to propose to the 1/2023 Annual General Meeting of Shareholders, that a dividend payment for the Company's 2022 performance made to the shareholders at 0.75 Baht per share or a total value of 6,291 million Baht be considered.

Sales Revenue Breakdown by Operations



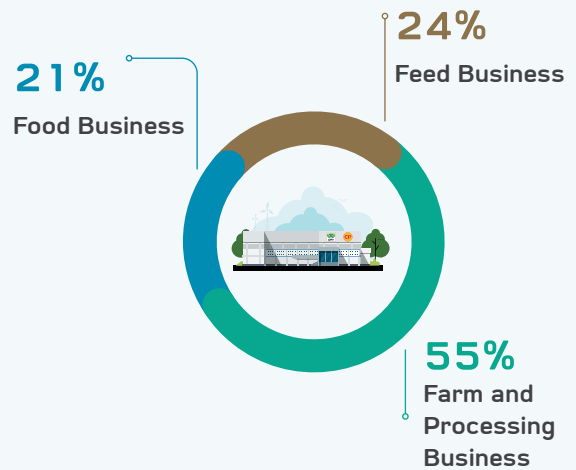
Food Business

Produces and distributes a variety of processed meat products, including semi-cooked, cooked or Ready-to-Eat. The Company also operate food distribution channels and restaurants

Focus on enhancing the value of processed food products, ensuring high nutritional quality in Ready-to-Eat meals, and offering competitive pricing for healthy food products. The Company also prioritize modern and eco-friendly production innovations and maintain a comprehensive traceability system throughout the entire production process.



Sales Revenue Breakdown by Products



Distribution Channels

The Company distributes products through various channels to ensure consumer convenience access, including wholesale stores, retail stores, Chester's restaurants, Five Stars product point of sales, food courts, and etc.





CPF Worldwide

The Company*, associates, and joint ventures operate in agro-industrial and food business in **17** countries

The Company* operates in **15** countries
 Associates and joint ventures operate in **2** countries

Export to

>40 countries **5** continents

Cater to

>4,000 million people



North America
2 countries



Europe
5 countries




South America
1 country



Asia
9 countries

Details of the Company's* operation in each country

	Feed 	Swine 	Poultry 	Aquaculture 	Food 
Asia					
Thailand	●	●	●	●	●
China	●	●	●	●	●
Republic of China (Taiwan)	●	●	●	●	●
Vietnam	●	●	●	●	●
India	●	●	●	●	●
Cambodia	●	●	●	●	●
the Philippines	●	●	●	●	●
Malaysia	●	●	●	●	●
Laos	●	●	●	●	●
Sri Lanka	●	●	●	●	●
Europe					
United Kingdom	●	●	●	●	●
Russia	●	●	●	●	●
Türkiye	●	●	●	●	●
Belgium	●	●	●	●	●
Poland	●	●	●	●	●
North America					
United States	●	●	●	●	●

Remark : The Company* refers to Charoen Pokphand Foods Public Company Limited ("CPF") and its subsidiaries.



Message from Executives



Despite changes in the economy and society triggered by the impacts of the COVID-19 pandemic, CPF remains steadfast in our mission to promote food security for consumers across the globe. The Company also pledges to conduct business in adherence to the Three Benefits to Sustainability Principle, encompassing operating business for the benefit of the country, the people, and the Company. Meanwhile, we also focus on achieving equilibrium in the use of natural resources, while contributing to the protection and preservation of biodiversity, which is the very source of all food production. Furthermore, the Company has concerted efforts with the global community to mitigate climate change and endorse respect for human rights in all sectors. CPF's business operations are founded on the principles of good corporate governance which serves as a key mechanism for achieving a sustainable global food system.

“Food security” is of utmost importance to CPF. The Company strives to deliver food of the highest quality to consumers and promote access to food both in normal circumstances and in times of crisis while also supporting healthy nutrition. Our efforts are based on the environmental, social and governance (ESG) principles and the United Nations Sustainable Development Goals (SDGs) that correspond with key business issues, including SDG 2 : End hunger by promoting access to food and employment while creating food sources and stability at the community, national and international levels, SDG 6 : Manage water through major watershed conservation projects, efficient water management and development of water conservation technology, and SDG 13 : Tackle climate change by announcing our commitment to the Science - Based Targets initiative (SBTi) to help businesses set climate science-based greenhouse gas reduction targets in accordance with the Paris Agreement which aims to drive organizations

“ **Food security** is the foundation of human equality and environmental balance which is based on organizational management in line with the principles of good governance. On behalf of the Board of Directors, all executives and employees, we would like to extend our sincerest gratitude to stakeholders across the value chain for taking part in materializing the concept of sustainability into valuable and efficient action. We would also like to thank everyone for participating in our endeavor to shape CPFs’ sustainable development path towards becoming a sustainable **“Kitchen of the World”**. ”

towards the Net-Zero Target by 2050. Meanwhile, CPF also ensures that the acquisition of raw materials for food production must comply with the Company’s Anti - Deforestation Policy and Responsible Sourcing Policy.

CPF also regards climate change and global warming as issues of crucial importance. In 2022, the Company successfully eliminated the use of coal in Thailand-based operations (100%) according to the Coal Free 2022 Target. By substituting coal with biomass energy, the consumption proportion of renewable energy accounts for approximately 30% of CPF’s total energy consumption. Accordingly, CPF ranks among top companies in the food industry with the highest proportion of renewable energy consumption. Such action has contributed to **the reduction of greenhouse gas emissions by over 600,000 tons CO₂ equivalent in our endeavors to accomplish the Net-Zero Target by 2050.**

In the past year, CPF continued to focus on being a Food Tech Company, employing a digital business management system and implementing big data to drive the organization according to the Smart Farm – Smart Factory concept. The Company also placed emphasis on applying artificial intelligence (AI) and the Internet of Things (IoT) to manage and assess performances in real time format. As a result

of our dedication to research and development, CPF has developed probiotic microorganisms to enhance the animal farming business. These probiotic microorganisms help to boost the animals’ immune system and keep them in good health from the inside out, yielding safe and high-quality products for consumers. Furthermore, CPF has also developed **the Food Safety Sustainability innovation by creating a comprehensive food safety ecosystem and using the DNA Barcode** to enable extensive traceability, elevating food safety level and fostering consumer confidence.

CPF’s relentless efforts to adapt to changes have played a vital role in gaining stakeholder trust through various assessments. CPF has maintained our position on the Emerging Markets list of the Dow Jones Sustainability Indices (DJSI) in the FOA Food Products category for the eighth consecutive year, and on the FTSE4Good Emerging Index for the fifth consecutive year. In 2022, CPF has also been included in the Thailand Sustainability Investment (THIS) Index for the eighth consecutive year. Moreover, the Company has received the **“Excellent” Award in the 2022 Low Carbon and Sustainable Business (LCSB)** from the Thailand Greenhouse Gas Management Organization (Public Organization) as well as other awards and recognitions, such as the Superbrands Thailand 2022 Award, etc.



Mr. Soopakij Chearavanont
Chairman



Mr. Prasit Boondoungprasert
Chief Executive Officer



Sustainability Awards, Recognitions and Assessments



International Level



DJSI 2022 : Member of the Dow Jones Sustainability Index ; Emerging Market for the 8th consecutive year



The Sustainability Yearbook 2022 : S&P Global Silver Class Award



FTSE4Good Index : FTSE4Good Emerging Indexes for the 5th consecutive year

FTSE4Good Index : FTSE4Good Emerging Indexes for the 5th consecutive year



MSCI ESG Indexes : Participated in the Sustainability Assessment for the Food Products Industry



CDP 2022 : Climate change B, Water Security B-, Forests B (Palm Oil, Soy, Timber)



HR Asia, Asia's most authoritative publication for HR : Awarded HR Asia Best Companies to Work for in Asia Awards 2022



Asian Excellent Awards 2022 : "Asia's Best CSR Award"



"ASEAN Energy Awards 2022" from ASEAN Energy Business Forum 2022 (AEBF 2022)



Business Benchmark on Farm Animal Welfare (BBFAW), a leading global measure of farm animal welfare ranked CPF at Tier-3 for the 2nd consecutive year



National Level



Thai Private Sector Collective Action Against Corruption (CAC) : CAC Change Agent Award 2022 and CAC Certified



Corporate Governance Report of Thai Listed Companies 2022 (CGR) : Excellent CG Scoring



ASEAN Corporate Governance 2021 Score Card, ASEAN Asset Class PLCs category from ASEAN CG Scorecard



Highly Commended in Sustainability Award from SET Awards 2022 by Stock Exchange of Thailand and Money & Banking Magazine



2022 Sustainability Disclosure Award from Thaipat Institute



Thailand Sustainability Investment (THSI) 2022, Agriculture and Agro-Industrial Category by Stock Exchange of Thailand (SET)



SOS Awards 2022 in the category of "OUTSTANDING FOOD RESCUE AWARD – BIG MANUFACTURING GROUP" from Scholars of Sustenance (SOS)



Low Carbon and Sustainable Business (LCSB) by Thailand Greenhouse Gas Management Organization (TGO), for "Excellence" Low Carbon and Sustainable Business Award in 2022, for the second consecutive year



CSR-DIW Continuous Award 2022, in Standard of Corporate Social Responsibility project (CSR-DIW to achieve SDGs), organized by Ministry of Industry's Department of Industrial Works



CPF 2030 Sustainability Strategy

Sustainability in Action

CPF drives its corporate sustainable development under **CPF’s Sustainability Strategy “CPF 2030 Sustainability in Action”** which has been developed from the three pillars towards sustainability comprising, **“Food Security, Self-Sufficiency Society, and Balance of Nature.”** CPF demonstrates its commitment to create value for society, restore balance of nature, which is a crucial starting point of food production chain under the Sufficiency Economy Philosophy and the Company’s “Three Benefits” core principle based on good corporate governance. CPF also supports the United Nations Sustainable Development Goals and the ten principles of the United Nations Compact.



CPF 2030 Sustainability in Action



FOOD SECURITY



SELF - SUFFICIENT SOCIETY



BALANCE OF NATURE



Sustainable Food



Human Rights



Climate, Water & Waste Excellence



Responsible Marketing



Lifelong Learning



Responsible Sourcing for the Planet



Animal Welfare



Social Impact



Waste to Value



About This Report

Charoen Pokphand Foods PCL, also known as CPF, has continuously prepared sustainability report since 2011, to communicate the Company’s commitments to conduct business sustainably and report impacts across all dimensions, economic, social, environmental, and human rights, as generated from CPF’s activities to stakeholders.

Reporting Period :

This 2022 annual sustainability report’s accounting period is from the 1st January to 31st December, 2022.

Reporting Framework :

This report disclosed CPF’s sustainability performance in accordance with the following international guidelines.

- GRI** This report was prepared in accordance with Global Reporting Initiatives Standard 2021 (GRI Standards 2021) and GRI G4 Food Processing Sector Supplement
- UNGC** United Nations Global Compact : UN Global Compact at Advanced level
- SDGs** Sustainable Development Goals (SDGs)
- TCFD** Recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD)

Contact Point :

For additional information or inquiries on this report, please contact us at :

Corporate Social Responsibility and Sustainable Development Office

Charoen Pokphand Foods PCL (Headquarter)
313 C.P. Tower, Silom Road, Bangrak, Bangkok, 10500
Telephone : (+66) 2766-8571-4
E-mail : sd@cpf.co.th
Website : www.cpfworldwide.com

Reporting Frequency :

Annual

Third Party Assurance :

This report has been prepared in accordance with the GRI Standards 2021 to the extent that the indicators have been verified as specified in the assurance statement in the limited assurance level, which is also subject to independent third-party assurance by LRQA (Thailand) Limited according to our policy. The financial performance is reviewed by KPMG Poomchai Audit Ltd., and details are shown in Auditor’s Report in the Company’s Annual Report 2022.

Additional Documents of This Report, as follows :

- Performance Data
 - o People
 - o Occupational Health and Safety
 - o Environment
- Report Boundary
- GRI Content Index
- Sustainable Development Goals (SDGs) Index
- Task Force on Climate-related Financial Disclosures (TCFD) Index
- Assurance Statement

You can download the Sustainability Report in the link below.

www.cpfworldwide.com



For details on the report boundary, please visit the link below.

www.cpfworldwide.com





Progress Against Targets



Food Security

Goal : Establish food security with products that promote health and improve quality of life for people

2030 Target Performance Progress (%)



Sustainable Food (Thailand Operations)

- | 2030 Target | Performance | Progress (%) | |
|---|-------------|--------------|------|
| 40% of the revenue shall derive from green products | 40% | 37% | 92.5 |
| No food products recall | 0 | 0 | 100 |



Responsible Marketing (Thailand Operations)

- | 2030 Target | Performance | Progress (%) | |
|---|------------------------------|------------------------------|------|
| Reach 35 million consumers per day with healthy foods and beverages | 35 million consumers per day | 23 million consumers per day | 65.7 |
| 50% of our new products are developed to be healthier and more nutritious | 50% | 51% | 102 |



Animal Welfare

- | 2030 Target | Performance | Progress (%) | |
|--|-------------|--------------|-------|
| 100% of sows raised in group gestation pen housing system | 100% | 40% | 40 |
| Increase production capacity of cage free egg by 30% per year based on year 2020 | 30% | 200% | 666.7 |
| 100% environmental enrichment for broilers | 100% | 60% | 60 |



Self-Sufficient Society

Goal : Create positive social impact for employees and individuals throughout the value chain

2030 Target Performance Progress (%)



Human Rights

- | 2030 Target | Performance | Progress (%) | |
|--|-------------|--------------|----|
| 100% conduct human rights due diligence once every 3 years, including risk assessment and impact assessment in high risk areas of own operations | 100% | 100% | 40 |



Lifelong Learning

- | 2030 Target | Performance | Progress (%) | |
|---|-----------------|-----------------|----|
| 3 million hours of education and training for employees | 3 million hours | 1,772,551 hours | 59 |



Social Impact

- | 2030 Target | Performance | Progress (%) | |
|---|-----------------------|-----------------------|------|
| Improve 3,000,000 livelihoods in communities connected to our business activities | 3 million livelihoods | 2,516,456 livelihoods | 83.9 |



Goal : Take action towards positive environmental impact throughout our value chain

2025 Target Performance Progress (%)



Climate, Water & Waste Excellence

- 25% of direct and indirect GHG emissions per production unit to be reduced compared to the base year 2015 (Thailand Operations) **25%** **23%** **92**
- 30% of water withdrawal per production unit to be reduced, compared to the base year 2015 (Thailand Operations) **30%** **53%** **177**

2030 Target Performance Progress (%)

- 200,000 tons of carbon dioxide sequestration from conservation and reforestation projects in strategic areas and green areas in CPF operations (Thailand Operations) **200,000 tons** **26,502 tons** **13**
- Zero waste to landfill and incineration **0 tons** **17.2 thousand tons** **6***
(Thailand Operations)
* Progress (%) was calculated using 2019 as a baseline year
- To set science-based targets for GHG emissions reduction (Scopes 1, 2 and 3) Target approved In progress In progress
- Support all tier-1 suppliers identified to have high water impact to have water management plans in place **100%** In progress In progress



Responsible Sourcing for the Planet

- 100% of key raw materials are traceable **100%** **59%** **59**
(Operations in Thailand, Laos, Cambodia, Vietnam, Malaysia, India and the Philippines)
- Increase area of conservation, protection, and restoration of mangrove forests and watershed forests in strategic areas (Thailand Operations) **20,000 rais** **14,870 rais** **74**
(3,200 hectares) (2,379 hectares)
- 100% of key raw materials from deforestation-free areas **100%** **23%** **23**







Waste to Value

- Zero food waste from operations **0 ton** **2,143 tons** In progress
(Thailand Operations)
- 100% of plastic packaging for food products to be recyclable or reusable or compostable **100%** **99.9%** **99.9**
(Thailand Operations)



2022 Material Topics

Dimensions	Material Topics	Sub-Topics	Impact Level to Stakeholders			
			1	2	3	4
 Foundation of Sustainability	Governance, Risk Management and Compliance	Governance and Risk Management	2.88			
		Compliance	2.84			
		Stakeholder Engagement and Transparency	2.75			
 Economic	Food Security	Food Quality and Safety	3.09			
		Innovation and Technology	3.37			
 Social	Food Security	Animal Welfare	3.33			
		Responsible Marketing and Product Labelling	3.32			
		Health and Nutrition	3.51			
	Human Rights and Labor Practices	Human Rights and Labor Practices	3.37			
	Employees and Communities	Community Development and Support	2.94			
		Occupational Health, Wellbeing and Safety	2.56			
		Organizational Culture and Management	2.54			
Talent Management		2.32				
 Environment	Water Stewardship	Water Stewardship	3.21			
	Climate Action	Climate Action	2.84			
		Waste Management	2.16			
		Circular Economy and Packaging	3.38			
	Biodiversity and Ecosystems	Responsible Sourcing	3.11			
		Biodiversity and Ecosystems	3.06			

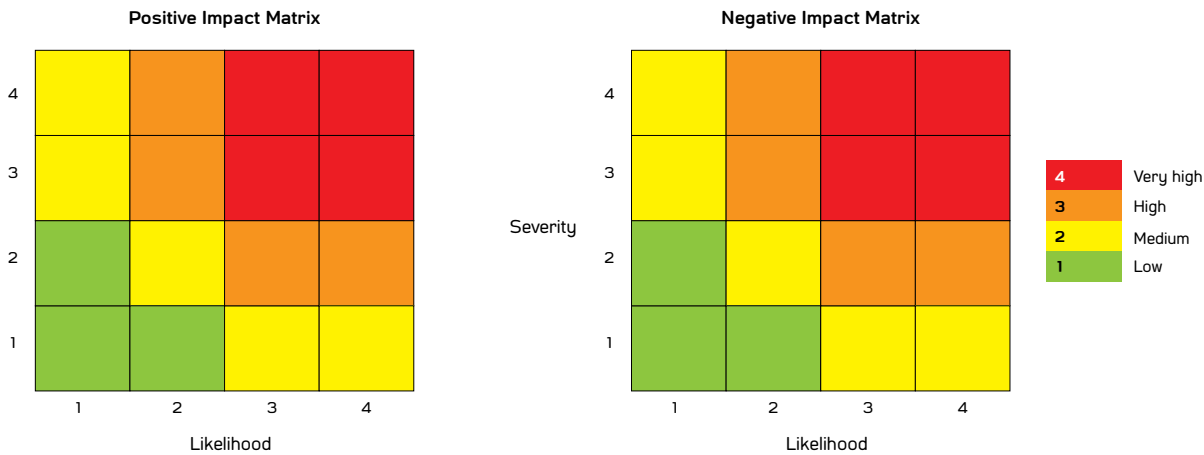
CPF’s material topics are in accordance with GRI G4 (Global Reporting Initiative G4) Food Processing Sector, encompassing all topics : foundation of sustainability, economic, social and environment. The level of impact for each stakeholder varies for each topic. Notably, the Board of Directors have considered and approved material topics and their respective essence in this report.

In 2022, CPF conducted material topic assessment in accordance with Global Reporting Initiative 3 : Material Topics 2021 (GRI 3), addressing every activity in the Company, from feed business, farm and processing business to food business. All stakeholder groups throughout the Company’s value chain are addressed, such as employees, farmers, suppliers, customers, consumers, communities, public sector, civil society sector, press, NGOs, to name a few. The assessment was conducted in 8 countries of CPF operations, which are Thailand, Malaysia, Vietnam, Laos, Cambodia,

the Philippines, India and Türkiye. Human rights Impact Assessments is used as a guideline in material topic assessment, in economic, social and environmental aspects.

Workshops were organized to enable opinion exchanges and sharing for relevant stakeholders. This allows identification of actual impacts and likelihood of the impact, both positive and negative, whether short - or long- term to stakeholders. The impacts’ severity is also assessed. The Company is therefore able to rank material topics according to impact severity to stakeholders. Furthermore, the Company factored in and consider perspective and opinions of sustainability experts towards the Company, addressing various topics in the assessment. This ascertains that the impacts of the Company’s operations towards stakeholders are being considered as the Company’s material topics.

Potential Impact: Assess both Severity and Likelihood



Actual Impact: Assess only Severity (1-4)

Assessments of Actual impact and Potential impact

Some material topics of the previous year were assessed to be of lower priority, in accordance with GRI 3’s assessment approach, which grants lower significance to the Company and higher significance to stakeholders. If the Company is able to incorporate external topics for corporate management approach better. This includes personal data privacy, cybersecurity and data security, as well as food loss and food waste.



Governance, Risk Management, and Compliance



Governance



Risk Management



Compliance



Stakeholder Engagement and Transparency





CPF conducts business activities with transparency, ethics, zero corruption, fair competition, compliance with laws. Good governance is a matter that every group of stakeholders attaches importance to. This is especially for large integrated agro-industrial and food companies because business operations can affect the interests of the country and all stakeholder groups. In addition, rigorous and efficient risk management after the COVID-19 epidemic is crucial because the risk factors in every aspect of sustainability (ESG risk) have changed significantly both in terms of economic recovery, promoting good health and well-being for society and employees, including environmental protection to provide stability throughout supply chain with the required immunity to changes that support sustainable recovery of economic sector.

With awareness, CPF therefore operates governance, risk management, and compliance in accordance with international standards and business ethics. We strive to make a positive impact on society by leading change and setting a good example for other companies to do business that is more compliant with these standards.

Management Approach

- **Establishing a good governance structure** covering from the director level to the operational level
- **Endorsing corporate governance and sustainable development policy, Code of Conduct and Risk Management Policy** serving as a guideline and driver for work efficiency
- **Disclosure and communication** of good governance guidelines and policies through various channels of the Company, as well as organizing activities to raise awareness
- **Review, evaluate, and report** the performance to the Board of Directors for acknowledgment including taking lessons learnt for further development
- **Providing channels for whistleblowing, suggestions, and complaints**
The Company has a rigorous management process to protect the rights of complainants and have clear guidelines to follow and correct, as well as disclose the results of operations with transparency



Implementation

Governance

CPF places importance on driving good governance by formulating a corporate governance and sustainable development policy that integrates economic, social, and environmental concepts into practice to ensure sustainable growth of the organization which the directors and employees at all levels must strictly adhere to. In addition, the Company also improves the content and evaluates the operation at least once a year to be in line with national practices, international standards, and rapid changes in the world, such as the principles of good governance of the Organization for Economic Co-operation and Development (OECD) and good governance principles for listed companies, etc.

The Company provides learning and communication on corporate governance principles covering from the director level to the employee level both domestically and internationally through various channels, such as meetings of business group, company website, CPF Connect (mobile application), HR Web Portal, new employee orientation, learning through the e-Learning system, and encouraging executives to act as role models for employees, etc. So that everyone in the organisation understands their roles and responsibilities and participates in operations to achieve the mission set. In addition, the Company closely monitors the results to present to the Board of Directors and transparently discloses the progress to the public.

Corporate Governance and Sustainable Development Committee Structure



Corporate Governance and Sustainable Development Policy



Sustainability Governance at CPF

The Company has established a sustainability governance structure to oversee and drive the organization to achieve its goals consisting of the Board of Directors, the Corporate Governance and Sustainable Development Committee, and CPF 2030 Sustainability Goals Supporting and Driving Committee. This includes high-level executives and employees from various departments working together to drive the work. CPF has clearly defined its operational guidelines, duties, and responsibilities under 3 main strategic directions; sustainable growth, strive for excellence, and build a solid foundation.

The Corporate Governance and Sustainable Development Committee and CPF 2030 Sustainability Goals Supporting and Driving Committee will report their performance, lessons learnt, and concerns or suggestions for developments should communicate to all Directors of the Company at least twice a year. This includes presenting material topics. Management will consolidate suggestions from the Board of Directors to improve policies, strategies, and operational plans.

CPF Sustainability Governance Structure



CPF provides everyone in the organization with sustainability knowledge that is up-to-date with global changes and understands strategic plans to drive sustainability. CPF organizes training on sustainability knowledge annually through online learning, addressing cybersecurity awareness, business and anti - corruption policy.

Executive Compensations

Consideration of management and all levels of employees depends on their performance, with corporate indicators that incorporate both financial and non-financial performance dimensions to provide a comprehensive assessment of all dimensions of sustainability, employees’ ethics, human capital development, social and environmental responsibility. The Board of Directors has appointed the Remuneration and Nominating Committee to determine and review the appropriate remuneration and benefit policy framework and principles. This includes adjustment of remuneration and other benefits for COO and executives of key business lines.

Remuneration of the Company’s management in 2022 totals to 186 million Baht for 5 People. This includes remuneration and other benefits. The net value of CPF shares hold by all mentioned management, as of 31 December 2022, is at 1.3 times the compensation of all management in 2022.

Anti-Corruption Measures

CPF joins the **“The Private Sector Collective Action Coalition Against Corruption”** to indicate the commitment to prevent and combat all forms of corruption. The Company has established a written anti-corruption policy as a guideline for the Board of Directors, the executives, and employees of the Company to refer to as a guideline for strict practices to commonly establish values in operating with honesty, integrity, transparency, verifiability, and without corruption as part of our strong corporate culture. In addition, the Company has communicated the anti-corruption policy and guidelines to employees at all levels through various forms and channels to cover communication in all countries where the Company has investments. Furthermore, the Company has also developed Sustainable Sourcing policy and guideline for suppliers. Antifraud and anticorruption topics are integrated as part of the guideline. It was communicated to suppliers. They are also encouraged to adopt the policy as a working framework at the Companies.

The Company has also conducted risk assessment encompassing every activities of the Company which may lead to corruption. The Company provides grievance channels for whistleblowers to communicate, such as emails, telephone and letters. An audit committee, independent from management, would make consideration in conjunction with internal audit office to screen evidences and grievances. In 2022, the Company received 91 issues through various channels. This comprises 2 corruption cases and employees’ non-compliance, or 13 inappropriate behaviors-related issues. The Company has taken disciplinary actions against responsible person according to regulations, and has reviewed control measures to ensure sufficiency for good governance, safeguard against fraud, corruption. The details and management measurement are shown in the table below. However, the incident did not materially affect the Company either reputationally or financially.

Types	Number (Cases)	Management Measure			
		Verbal reprimand	Written reprimand	Probation	Lay off
1. Fraud	2	-	-	-	2 (2 people)
2. Non compliance	13	6 (7 people)	6 (23 people)	-	1 (1 people)
3. Corruption and bribery	-	-	-	-	-

In 2022, the Company did not have any violation concerning trade competitiveness, anti competitiveness, legal violation, and unfair trade practices.

Anti-Corruption Policy





“

CPF received the CAC Change Agent Award 2022 by persuading and promoting SME partners to join the CAC SMEs project to create transparency in the supply chain reinforcing the position of doing business on good governance principles throughout the supply chain.

”

Anti-Corruption Course



CPF organised anti-corruption courses to raise awareness and create understanding for personnel to conduct in accordance with business ethics. Learning materials are provided in both online and offline learning formats. New employees are required to attend classes and must be repeated at least every year.

Risk Management

The Risk Management Sub-Committee plays an important role in risk management in operations to ensure that the Company’s risk management system has effective and efficient controls. The Office of Enterprise Risk Management is responsible for promoting and disseminating knowledge as well as giving advice to various agencies. CPF has established a risk management policy and communicated it to employees at all levels continuously to promote a proactive risk management culture that covers the entire organization as well as integrating risk management principles into work processes within the organization.

The Company set up a systematic and clear risk management covering all types of risks that may affect business operations by adhering to international standards of operation COSO (The Committee of Sponsoring Organizations of the Treadway Commission) ensuring that the Company can identify risks as well as manage various risks effectively. In addition, the Company prepared a risk management manual and conducted a risk assessment every quarter. The Risk Management Sub-Committee reports to the Executive Committee and the Audit Committee, respectively. For risk factors and new risks that may occur in the future (Emerging Risks), more details can be found in the 2022 Annual Report, section Risk Management.

Compliance

Conducting business with ethics and transparency is the heart of CPF, this is in line with the 6 corporate values or “**CPF Way**” whereby the Company strives to operate in accordance with the standards, rules, regulations, and laws of all countries in which CPF operates and never stop developing in accordance with International Voluntary Standard which is higher than general practice covering the environment, society, and good corporate governance. In addition, the Company has a policy not to invest in companies that do not focus on ethics and compliance with the law or perform any action that creates a monopoly on the market or is a discrimination against any sector including absolutely not demanding for exchanging benefits.

Legal Office and relevant agencies are responsible for monitoring changes in various laws covering production, sustainability, environment, and occupational safety. In addition, the Company assigns the Corporate Compliance Office as a central unit to coordinate with other agencies in supervising and reporting to Management Committee and the Board.

Compliance and Standards



Stakeholder Engagement and Transparency

The Company focuses on creating value together with all stakeholders under the philosophy of 3 benefits towards sustainability as well as monitoring and supervising the disclosure of general information and financial information according to best practice guidelines.

- Evaluate the needs and expectations of stakeholders by analyzing key issues and formulating a concise management plan for each issue.
- Organize activities to engage with stakeholders according to the plan. Collect performance data to analyze and review the participation process.
- Provide channels for stakeholders to contact and inquire, report a clue, or give a suggestion.
- Disclose information on sustainability operations to stakeholders through the Company’s channels such as sustainability reports, websites, etc.

In 2022, CPF organized a workshop to analyze the concerns and expectations of domestic and international stakeholders in which the Company operates. The Company has disclosed information on the operational guidelines according to the key issues. More information can be found at “Responding to Sustainability Material Topics”.



Food Security



Food Safety and Quality



Innovation and Technology



Animal Welfare



Responsible Marketing and Product Labelling





2030 Target

Zero
food product recall

2022 Performance

Zero
food product recall

Food Safety and Quality (Thailand Operations)

Consumption of high-quality food that is clean and safe correlates directly to a person's physical well-being and serves as a foundation for a healthy society. The World Health Organisation estimates that currently, almost 1 in 10 of the global population falls ill or passes away after eating contaminated food containing harmful bacteria, allergens, and other toxic substances¹. The use of antibiotics, additives, and preservatives that do not meet standards and laws or the lack of Covid-19 preventative measures may also affect consumers' health and confidence. This can cause product recalls or legal action, as well as subsequently reputational and financial damages to all businesses throughout the value chain, including the Company itself.

As a leader in the integrated agro-industrial and food business, CPF places importance on food quality and safety. CPF is committed to fulfilling our role as the **"Kitchen of the World"** through producing and globally distributing food that meet international standards and comply with regulations and requirements, domestic and overseas. CPF values cultural diversity, thus leads to the recognition as a Halal-certified producer. Consumers can gain confidence in CPF's food quality and safety.

Management Approach

- **Policy Formulation and Commitment** : Under the CPF Quality Policy, ensure clean, quality and safe food products for consumers.
- **International Standard Certification** : Effectively attain new levels of excellence in food quality and safety in all stages of production to gain trust and recognition from all stakeholder groups.
- **Product Quality and Safety Inspection** : Maximise consumer confidence and trust in receiving products that are of good quality, clean, and safe.
- **Building a Corporate Culture of Food Safety** : Consistently foster behaviour and instil awareness of safe food production among CPF employees.

¹ "Food Safety", World Health Organization, 2022, <https://www.who.int/news-room/fact-sheets/detail/food-safety>, Accessed January 2023



Implementation

International Standard Certification for Food Quality and Safety

In 2022, CPF has been certified to comply with international standards for food quality and safety throughout the production chain in Thailand's operations, as follows :



Feed Business

- Livestock feed mills : GMP, HACCP, ISO 9001 and AI Compartment² (only farms for export)
- Aquaculture feed mills : GMP and HACCP
- Pre-mixed production plants : FAMI QS³



Farm-Processing Business

- Broiler and duck breeder farms, egg hatcheries, layer chicken farms, and broiler, duck, and swine farms : GAP
- Broiler and duck farms for export : Genesis GAP/Lloyd's Register Poultry Scheme and AI Compartment
- Shrimp farms : GAP/CoC (Department of Fisheries) and BAP (only farms for export)
- Basic chicken, duck, and shrimp processing plants : GMP/GHPs
- Basic chicken and duck processing plants for export : HACCP, ISO 9001, Genesis GAP/Lloyd's Register Poultry Scheme and BRC Global Standard for Food Safety



Food Business

- Food production plants⁴ : GMP/GHPs and HACCP
- Food processing plants from chicken, eggs, duck, pork, and shrimp for export : ISO 9001
- Food production plants from chicken, duck, eggs, and shrimp for export : BRC Global Standard for Food Safety

100%
of plants and farms
received standard
certifications.

² AI Compartment (Avian Influenza Compartment) standards for poultry established by the Department of Livestock Development

³ FAMI QS (Feed Additives and Pre-Mixtures Quality System)

⁴ Include semi-cooked, fully cooked, and processed (ready-to-eat) food production plant

CPF Food Standards

CPF, in collaboration with the British Standards Institution (BSI), developed the CPF Food Standard as a single “One Standard for All” for the Company’s global customer base. CPF focuses on establishing the Company’s own Private Standards in quality management systems, food safety, and product sustainability to gain control of the full production process from start to finish, resulting in consistency in delivering high-quality products. In 2022, CPF’s goal to be third-party certified was realised when the pilot project, “Korat Model,” received the standard certification. Within 2023, CPF plans to expand the CPF Food Standard certification’s coverage into the broiler and duck businesses to further enhance the efficiency, comprehensiveness, and sustainability across CPF’s integrated food production operations and processes.



On August 24, 2022, Management was presented with the CPF Food Standard Certificate under the name, PS 7818 : 2018, together with the Quality Management System Certificate ISO 9001 : 2015, reaffirming the international management standards of the British Standards Institution (BSI) in elevating food safety, quality, and sustainability standards across CPF’s integrated production chain.



CPF Digital Product Traceability System

iTrace BLOCKCHAIN PROJECT



CPF has developed a digital product traceability system to assure consumers of the products’ quality and safety by providing transparent information. As CPF transforms into a digital business through the blockchain implementation to strengthen how CPF operates. In 2022, CPF successfully implemented the digital traceability system and achieved a 100% coverage rate for fresh chicken and fresh pork products. CPF’s 2023 goal is to further expand the system’s bandwidth to cover additional product lines, such as fresh shrimp and chicken eggs, as the Company strives to provide the highest level of confidence to consumers.

Products Recall

In 2022, CPF had **zero product recall** relating to potential public health impacts.



Innovation and Technology (Thailand Operations)

To ensure consumers' needs are continuously addressed, production process efficiency maximized, and resource intensity and environmental impacts minimized, business must leverage the use of innovation and technology in their organizations. At the same time, through investing resources to further innovation and technology development, businesses can contribute positive impacts to stakeholders through the value chain and even resolve global challenges. The range of critical issues that may be addressed through innovation and technology is wide, from food scarcity risks resulting from population growth, food insecurity due to the COVID-19 pandemic and ongoing conflicts, increasing demand for health-conscious driven by an ageing population, the need to establish sustainable agriculture systems, to the challenge of managing plastic packaging waste.

CPF recognizes that innovative and technological developments are key to tackling these global issues and helping the Company access business opportunities that arise from changing consumer behavior. The Company is committed to applying modern technology and research-driven approaches to continuously develop products and work processes while collaborating with stakeholders from all sides to together build sustainable food systems.

Management Approach

- **Food Research and Development** : Position the Company as the center of food research and development, with a focus on age-specific food preferences, health-conscious food product groups, and other product development that responds to global food industry's changes.
- **Compliance with International Standards** : Apply international standards on innovation management throughout the organization, and advance research and development to identify technology solutions or alternatives that can resolve persisting problems or improve work quality.
- **Promoting an Organizational Culture of Innovation** : Spur technological developments that reiterate corporate values in creativity by encouraging creative thinking at the workplace and supporting employees in advancing solutions to improve work processes and product development efficiency.

Implementation

CPF established CPF Food Research and Development Center full of experts on various food fields to meet changing consumer demands and meet challenges in the food industry by focusing on developing food products that promote good health for consumers coupled with food quality and safety.



2022 Food Innovation Highlight

FOOD SAFETY SUSTAINABILITY PROJECT



CPF has developed a food safety innovation by utilizing biomolecular techniques to build a complete food safety ecosystem. This includes :

- Development of database with a molecular technique to generate a barcode that is specific and traceable; and
- Development of diagnostic kits to identify contamination in food through biosensor, which is fast and convenient; inclusive to cross-contamination;
- Development of effective disinfectant to resolve contamination issue at source

Food safety sustainability project from upstream to downstream of the food chain is the innovation of the food industry in the future. It can be accurately traced back to the source of the specific species of infection along with creating a database and using it as Big data to predict and prevent contamination by selecting solutions that can sustainably eliminate pathogens and reduce their recurrence.

PROBIOTIC PRODUCT FOR WEIGHT CONTROL (BIFIO ACTIVE PLUS)



This product combines strains of probiotics that have been proven to increase muscle growth with green tea extract which helps boost metabolism, offering a new solution for consumers looking to lose weight.

- Stimulates digestion
- Reduces likelihood of fat retention
- Promote the burning of excess fat

NUTRITIONAL DRINK POWDER FOR WEIGHT CONTROL (PLANATURE)



Due in part to overconsumption and population ageing, the number of people suffering from non-communicable diseases (NCDs) has been steadily increasing every year. Maintaining adequate protein consumption and weight control is critical to reducing the risks of NCDs and promoting better health. CPF recognizes the importance of health and well-being and thus has applied the Company's expertise in nutrition and food science to develop a plant-based protein powder product that offers a full range of nutrients and high protein content. This product aims to help consumers achieve their weight control goals and sustainably improve their health.

- Plant-based protein powder
- High protein content combined with a complete set of nutrients and fibers
- Contains MCT oil which increases the feeling of fullness after eating while also boosting metabolism
- Suitable for those looking to increase their protein consumption or increase muscle mass to boost fat metabolism
- Available in a variety of flavors, including original, matcha, and chocolate

CP HARAMI CHICKEN BELLY



Harami is another innovation from specialize chicken cutting technology, first discovered by CPF in Thailand. CPF creates value-added for every piece through specialized cutting technique for maximum product value and highest protein benefits. This creates the Harami chicken product, using the specialized cut part of chicken belly, which is soft, juicy, tender, firm, 4 textures in a bite. This is a sought after piece that Japanese often seeks. For one chicken, only 2 pieces can be found. It is bite-size, flavorful, with balanced season.



Global Recognitions and Awards



The **PLANT-TEC** technology innovation, which delivers plant-based meat with meat-like taste and texture, was awarded the **Superior Taste Award 2022** by the International Taste Institute in Belgium on the “MEAT ZERO” chicken nugget and garlic-flavored patty products.

And the “Meat Zero” product was awarded the **THAIFEX-ANUGA Taste Innovation Show 2022**, organized as part of the THAIFEX – Anuga Asia 2022 trade show.



The “Benja Chicken” product is the first from chickens fed solely brown rice. The product has also obtained the NSF’s Raised Without Antibiotics certification.

“Benja Chicken” was awarded the **Superior Taste Award 2022** by the International Taste Institute in Belgium.



The chicken sausage product is produced from whole chicken meat. The product has a firm crispy texture and a smoky aroma while still being free of tar or additional flour.

Crispy skin chicken sausage, Frank chicken sausage, and Chili Frank chicken sausage were awarded the **Superior Taste Award 2022** by the International Taste Institute in Belgium.



The “Cheeva Pork” product boasts a higher omega – 3 content than regular pork products, as it is produced from swines that have been fed with superfoods such as flaxseed, fish oil, and deep-sea kelp.

“Cheeva Pork” won the **most innovative product award** at the ThaiFex-Anuga Asia 2022 trade show.

Innovation Through Collaboration

Collaborations with Start-Ups

With current industry and economic conditions changing rapidly, CPF has identified an opportunity to create new technologies to increase production efficiency and improve product quality while still addressing consumers' needs. To realize this goal, the Company has looked to partner with start-ups, as their agility and flexibility enable creativity in analyzing issues and generating solutions. In 2022, the Company kickstarted a project in partnership with a start-up to establish a proof-of-concept for plant-based meat and alternative protein products. The scope of collaboration has since been expanded in 2023 to allow for more opportunities to create solutions and determine the most effective technology options.

CPF HELPED DEVELOP NEW GENERATIONS OF THAI INNOVATORS, ADVANCING TOWARDS REGIONAL FOOD INNOVATION.

CPF continued working with ProVeg – a regional food organization promoting plant-based meat production – for the second consecutive year to advance the food industry. The Company supported the ProVeg Food Innovation Challenge APAC 2022 event, with the CPF Food Research and Development Center lending its time and expertise to provide advice and consultation to participants. Participants received the opportunity to learn from CPF experts and develop food products that respond to the needs of modern consumers while contributing to food security. This year, CPF's jointly-set the topic : to develop a local Asian dish using a plant-based meat alternative. Two out of the three teams that received advice from the Company won awards at the competition, out of a total of 179 entries from 16 countries across Asia-Pacific.



De Crab
Jumbo Lump Crab Meat
CPE
Walailak Khotchai
Vimolpa Hiranpradith
Nichamas Kiattiporn-ops
Thanit Chinyodsak
Kasetsart University
Thailand
2nd Prize - 1500 USD

Plant-Based Crab Curry with Chakram Second prize was awarded to De Crab team.

The team members were students pursuing a master's degree in Product Development at the Faculty of Agro-Industry at Kasetsart University.



Plant-Based Burger using locally sourced ingredients such as jackfruit, beetroot, and soybeans, and topped with satay sauce Third prize was awarded to Hi-Burger team.

The team members were students from the Panyapiwat Institute of Management. Notably, this product was selected to be showcased at the UN Climate Change Conference (COP27).



2030 Target

100%

of sows raised in group gestation pen housing system.

.....
Increase production capacity of Cage free eggs by

30%

per year compared to 2020.

100%

of broilers received environmental enrichment.

2022 Performance

40%

of sows raised in group gestation pen housing system

.....
Increase production capacity of Cage free eggs by

200%

per year compared to 2020 (on total production of 60 million eggs).

60%

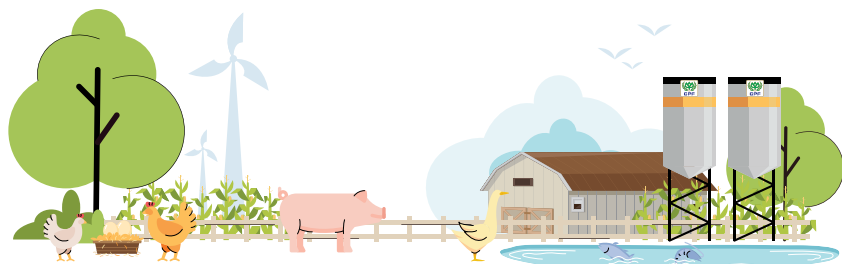
of broilers received environmental enrichment.

Animal Welfare

(Operations in Thailand, Laos, Vietnam, Cambodia, Malaysia, the Philippines, India, Republic of China (Taiwan), Russia, Poland and Türkiye)

Consumers expect meat quality and safety delivered by producers. Raising animals in the condition that ensures animal welfare and good health is critical. Veterinarians and animal care professionals thus play a key role in promoting animal health, as well as minimizing the world population’s hunger from insufficient protein supply. In fact, 60% of human pathogens are zoonotic in origin, meaning they originate from animals. Such epidemic causes 20% of animal-based protein to disappear from the global food systems.¹ Furthermore, antimicrobial resistance, as emerged from incorrect use of antibiotics, has also become a global agenda. Without remedy, there could be millions of deaths linked to bacterial infection around the world, which is an equivalence to over USD 100 trillion.²

CPF has an extensive food production supply chain, from upstream to downstream. The Company thus takes on the role in safeguarding food systems, food safety, people safety and animal welfare. CPF is determined to develop and raise the bar in ensuring operations are animal-friendly according to the Five Freedoms Principles, applying Farm Biosecurity practices to farm management. The Company also has an Animal Welfare Committee to drive the “Policy and Long-Term Targets for animal welfare”, and the Antimicrobial Resistance Committee to promote “Global Vision for Antimicrobial Use Stewardship in Food Animals”, which is applied in a standardized approach for every CPF’s operations in a traceable way. This instills consumers’ confidence and helps prevent future epidemic.



¹ Global health risks and tomorrow’s challenges, One Health, the World Organization for Animal Health, www.oie.int/onehealth.

² Review on Antimicrobial, 2014: <https://amr-review.org/>

Management Approach

- **Declaration of Policies and Commitments** : under the Five Freedoms Principles to ensure ethical animal farming to which all animals are entitled in compliance with producing and trading partner countries' laws, rules, regulations and requirements.
- **Research & Development** : of animal feed and animal farming that are efficient and of high quality, ensuring consistency to the principles of animal welfare.
- **Support and Promotion** : to ascertain suppliers and farmers in contract farming projects follow the Company's animal welfare policies and requirements
- **Assessment** : by internal agencies and independent third-party agencies, to ensure proper and humane animal treatment, as well as welcoming advices on potential room for improvement.
- **Building a collaborative network of partners** : comprise suppliers, government bodies, civil society organizations, research and academic institutions, as well as relevant stakeholders, to raise awareness and elevate animal farming according to animal welfare principles.

Implementation

Raising Animals Under the Principles of Animal Welfare

CPF strictly manage its livestock farming operations to international standards under the principle of **"the Five Freedoms Principles"**. CPF has also issued policies, manuals and standards on operating practices for aligned management direction in every country. CPF requires top management of each business unit to have been delegated to oversee the management of animal welfare operations, and to have Animal Welfare Committee for each country with animal farming business. Experts from each business line are tasked with the operation and promotion of animal welfare covering every farm, both the Company's and those under Contract Farming. Furthermore, the Animal Welfare Committees from each country will meet remotely via teleconference at least twice per year to exchange information and knowledge,

to review animal welfare policies. This ensures the Company's animal welfare management, farmers under Contract Farming project, all suppliers involved in CPF's meat protein products are in compliance with Thailand's laws, rules, regulations and requirement, as well as European Union's regulations, of which member countries are key trading partners, customer requirements, and international standards of animal welfare. In 2022, the Company did not have any significant incidents of violation or non-compliance with requirements, laws or regulations related to transportation, handling, and slaughter practices.

Research & Development

CPF is confident that its Research & Development facilitates ongoing animal welfare operations. The Company therefore prioritizes the deployment of modern technology in animal welfare operations. This includes the systems of **"Smart Farm"**, which has been integrated into CPF's animal farming business, along with **Big Data** for data analysis and processing, as well as **blockchain technology** being implemented to build and raise confidence in a wide range of data. Smart Farm systems not only help manage farms, but also assist in monitoring, training and sales.

Support for the Transfer of Know-how

The Company's team of veterinarians and experts transfer knowledge and expertise on animal farming to farm supervisors, animal husbandry professionals, relevant staff and farmers in contract farming programs. This ensures meticulous understanding and attention to the animals' health and physical condition under the principles of animal welfare, and in particular the matter of preventing epidemics, such as avian flu and African swine fever, which are of great importance to the Company. Training is provided to farmers to raise awareness on the importance, severity and consequences of epidemics and their consequences. There are surveillance and preventive measures, especially control of farm entry and exit, which may be the contact point where carriers can cause contamination. Effective biosecurity systems are the key to protecting farms against animal disease and human diseases, such as COVID-19. The Company has therefore



shared technology and automation systems to improve the safety level of farmers' swine farms under Contract Farming project the farm for participating contract farmers, to prevent further epidemics among the animals.

Audits

All the Company's animal farms and those of farmers in Contract Farming project in every country undergo rigorous audits at least once every 3 years and are certified livestock production standards by livestock authority in each country. There are also audits and a variety of international standard certifications for consumers to be confident of advanced animal welfare support for fresh food products and meat protein products. This encompasses both those under the Company's brand and the customers' brands, as distributed domestically and internationally, ascertaining they are produced from quality, hygienic farms and are safe for consumers. This includes :

CERTIFIED ADVANCED ANIMAL WELFARE



Broiler chicken

Thailand : Farm First Poultry Welfare Standard by Lloyd's Register UK, Global GAP by Control Union International, QS Standard, Compartmentalization System, Raised without Antibiotics (RWA) by NSF, KFC International Standard.



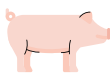
Meat duck

Thailand : Genesis GAP (Good Agricultural Practices), Compartmentalization System



Layer chicken

Thailand : Cage-free Eggs Standard
RoC (Taiwan) : TSAS Animal Welfare Standard



Swine

Thailand : Raised Without Antibiotics (RWA) by NSF, ASF Free Farm, GAP
Vietnam : Global GAP



Shrimp

Thailand and Vietnam :
BAP (Best Aquaculture Practices),
ASC (Aquaculture Stewardship Council), GAP



Fish

Vietnam : ASC (Aquaculture Stewardship Council)

Raising Swine According to the 3Ts (Testicle Castration, Teeth Clipping and Tail Docking) Principle

CPF has joined the program of the 3Ts-Alliance (Teeth, Tails and Testicles) operated by World Animal Protection since 2019, with a commitment to reducing the painful procedures performed on swine in the global swine industry. The aim is to reduce, avoid and eliminate physical alterations in the forms of castration of male swine, teeth clipping and tail docking. In 2022, the Company supported research on consumers' behaviors towards reducing pain in swine.

Participation in Reducing Painful Procedure on Swine in the Global Swine Industry in 2022




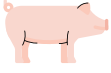


3Ts	Campaign activity	Proportion (%)
No testicle castration	Thailand, RoC (Taiwan) and Cambodia	6.37
No teeth clipping/ grinding	Thailand, RoC (Taiwan)	28.21
No tail docking	Thailand, RoC (Taiwan)	0.18

100% of operations in RoC (Taiwan) have stopped teeth clipping/grinding in piglets since 2019, with 76% of all piglets in Thailand operation no longer undergone the procedure.

Promoting Animal Welfare in the Value Chain

CPF assessed animal welfare operations concerning its key products throughout the global value chain, to create consumers' confidence on animal protein derived from animals that are treated with care.

Assessing the Animal Welfare Performance Key Products across the Global Value Chain in 2022

Products From	Animal Welfare Promotion	Production Capacity
 Broiler chicken	Enhancing physical environment, %	59.87
 Meat duck	Enhancing physical environment, %	100
 Layer chicken	Raising in a cage-free housing system, million eggs	60.26
 Swine	From sows raised in group gestation pens, %	31.27
 Shrimp	From female shrimps without eyestalk ablation, tons	17,584
 Fish	From no fin clipping, %	100

Remark : For Thai operations, 92.04% of broiler chicken received enhanced physical environment, with production capacity of cage-free housing system at 22.81 million eggs, and sows raised in group gestation pens at 59.55%.

Furthermore, on a global scale, 36.90% of broiler chicken production capacity is raised in areas whose density is lower or equal to 30 kg/m², 2.89% is from layer chicken in cage-free housing system, and 16.20% is from female shrimps with no eyestalk ablation.







The company has invested in research and development and testing in small-farm trials to ensure that treatment methods of farm animals do not cause side effects or other detrimental effects on animal welfare. Plans have thus been set to implement on all farms without excessive impacts on the company's operations, whether in terms of costs or production capacity,

according to the commitment to long-term targets for animal welfare. The foremost objective has been to deliver meat protein products which are high-quality, free of contamination, completely traceable throughout the process from 'farm to fork'.

Welfare Outcome Measures (WOMs)

CPF measures the results of animal welfare provisions at businesses both in Thailand and overseas to assess whether all categories of animals raised have received advanced animal welfare principles. It is directly related to animals' health and good physical and mental health, which is also favorable for human health.

Welfare Outcome Measures of Companies in the Global Value Chain, 2022

Welfare Outcome Measures (WOMs)	Performance			
	2020	2021	2022	
 Broiler chicken	Transport Livability, %	99.80	99.76	99.82
 Meat duck	Transport Livability, %	99.83	99.84	99.86
 Layer chicken	Transport Livability, %	99.90	99.98	99.98
 Swine	Sow Livability, %	95.80	95.73	98.02
 Shrimp	Black Scar Lesion, %	n/a	2.09	3.67
 Fish	Transport Livability, %	n/a	n/a	99.90



Animal Welfare Innovation

In 2022, CPF innovated to upgrade and foster animal welfare across the supply chain worldwide, with cognition that one's health condition originated from what we eat. It is thus essential that animal welfare is at the crux of the business.

2 IN 1 – ENVIRONMENTAL ENRICHMENT & INTELLIGENT SMART WEIGHING



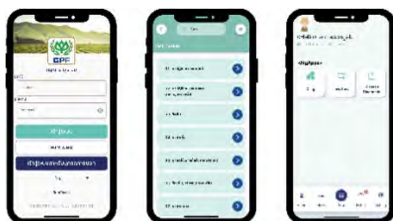
- A prototype innovation of an environmental enrichment enables ducks to exhibit natural behavior by climbing the swing – like enrichment, which also serves as an intelligent smart weight weighing, being a 2 in 1. It was a collaboration with suppliers to modify automatic weighing scale as a smart weighing scale to precisely forecast the weight of meat ducks soon to be delivered to factories in advance. The accuracy is over 98% compares to manual weighing, thus enabling advance planning and production in real time.
- No disturbance to the ducks' growth, decrease the manpower required on the farm, reduce cross – contamination between humans and animals, while also conduct daily animal health assessment.
- Clean water is provided at its living space and constantly changed to ensure ducks get to exhibit their natural waterfowl behaviors, which is a good environment.

SMART FARM – SMART HATCHERY



- Deploying automatic technology connected to the work processes and monitoring systems in real time to boost the efficiency of incubating eggs and reducing contamination from the production process. The oblate end of the egg is uppermost, with the result of more perfect development for the chick, increasing the rate of successful hatching, and preventing unfertilized eggs from going to the incubator. This reduces contamination from rotten eggs, when moving eggs from the incubator to the hatching chamber.

SMART DRUG APPLICATION



- This helps with access to farm information easily from anywhere anytime, through a mobile app designed to control processes considered key points for treating disease correctly and accurately. This can reduce working time threefold, saving 9,500 minutes. It is completely traceable, resulting in optimal treatment efficiency.
- Changes to the pharmaceutical database reduce the risk of data leaking outside to the competitors, enable dosages of medication and cut costs for the treatment as well as danger for the animals. This is reduced paperwork and document printing of 5,000 pages, saving 125,000 Baht/year.
- Accessed 6,000 times in 2022.

NEEDLE FREE INJECTIONS DEVICE



- Injecting medication to swine is a health practice, which is part of an animal welfare principle. It may cause skin damage and pain for the swine. CPF developed an injection tool for the swine in collaboration with suppliers, resulting in a needle free tool of appropriate quality, price point, ease in application and maintenance. The swine receives treatment at set dosage, without causing skin damage and with minimized pain to the swine.
- In 2022, a total of 431,250 swine received a needle free injection, thus minimized pain.

Responsible and Prudent Use of Antibiotics

CPF is committed to using antibiotics responsibly and prudently as a core practice for every livestock business in every country. This covers both the Company's farms and those of farmers under Contract Farming. The use of antibiotics must be for therapeutic uses to maintain the principle of animal welfare under veterinary prescription only. Also, there must be :

- Free of Human - Only Antibiotics;
- Free of Shared - Class Antibiotics, which are medically important to humans, used as Growth Promotor;
- Free of hormones used as Growth Promotors

In 2022, the Company conducted research and development on the responsible use of antibiotics, such as :

CONTINUOUS STUDIES OF DECREASING GENES IMPLICATED IN MOBILIZED COLISTIN RESISTANCE IN SWINE FARMS



Mobilized Colistin Resistance (*mcr - 1*) is a multi-dimensional concern for animal health, people and the environment. The Company prioritizes continuous studies to monitor Mobilized Colistin Resistance in *Escherichia coli (E.coli)*. This is because Colistin is considered the last resort for patient treatment. There was a policy to terminate the use of Colistin. Swine farm business unit in Thailand operations have a stringent policy to terminate the use of Colistin, with active studies and monitoring of *mcr - 1* gene since 2017 to present. The *mcr - 1* gene was not found in swine and the model swine farm environment. This gives confidence to consumers and surrounding communities about the Company's priority in safe food production (referencing Longitudinal monitoring reveals persistence of colistin-resistant *Escherichia coli* on a pig farm following cessation of colistin use, Nwai Oo Khine et al., 2021)



2030 Target

50%

of new products are healthier and more nutritious

Provide

35 million consumers

with access to healthy food and drinks per day

2022 Performance

51%

of new products were healthier and more nutritious

Provide

23 million consumers

with access to healthy food and beverages per day

Responsible Marketing and Product Labelling (Thailand Operations)

In the food industry where competition continues to grow, responsible marketing is both a priority and social responsibility. As global inflation drives rapid food price increases and makes it less affordable especially for lower-income consumers, access to a nutritious diet at reasonable prices becomes progressively more important. Consumers have the right to and value genuine communication, free of exaggerated claims and with clear labelling of ingredients and nutritional information. This reduces the risk of consuming foods that could trigger allergic reactions or those that may violate personal or religious beliefs. Clearly stating if the product has reduced amounts of sugar, sodium, or fat or increased levels of certain nutrients, for instance, further promotes responsible consumption by helping consumers understand what they eat and make informed decisions.

As a global food producer, CPF strives to provide consumers with accurate and clear product labelling that meet legal requirements. Product advertisements are conducted according to strict guidelines with a commitment to presenting information that is true and without misleading or false advertising. CPF’s aim is to become a part in delivering food that not only is healthy, nutritious, and reasonably-priced but also meets the needs of consumers at every age. With a strong commitment to responsible marketing, the Company’s efforts supports Thailand’s journey to becoming the “Kitchen of the World”.



Management Approach



- **Policy Formulation and Commitment** : Pledge commitment under guidance from the CPF Healthier Choice Principles, the Health and Nutrition Policy, and other related policies.
- **Promoting Nutritional Health** : Develop new products, upgrade existing ones, and incorporate technological innovations to make food healthier, tastier, more nutritious, and suitable for all age groups.
- **Raising Awareness** : Provide accurate, clear, and sufficient information on product labels and consistently promote knowledge of nutrition and sustainable consumption through various media platforms.
- **Supporting Access to Food** : Create a diverse food product profile, distributed through readily accessible channels at reasonable prices.

Implementation

Products that Promote Health, Nutrition, and Well-being

CPF is progressively developing new products that continue to benefit health. A central hub for creating innovative food technologies, CPF R&D Center is responsible for driving product differentiation to gain an advantage over the increasingly competitive and dynamically changing global food industry.

Products for Better Health

Type	Quantity (Product)	Product Sample
Less sodium (Less than 600 milligrams per serving*)	44	
Reduced saturated fat (Less than three grams per serving*)	22	

* Values are based on the recommended daily intake for Thais 6 years of age and older (Thai Recommended Daily Intakes : Thai RDI). 2,000 calories a day is used for general nutrition advice.



Collaboration in Promoting Consumer Health

CPF prioritises creating awareness and promoting knowledge about nutrition and healthy food for consumers, recognising that the stability of a country is built upon the strengths and health of its people. In 2022, the Company invested over 91 million Baht towards initiatives that encourage sustainable and responsible consumption, through efforts in marketing, communication, and engagement with various stakeholder groups. An example is the “CP Selection Probiotic Fed” CP enhances food safety to the next level of animal feed innovation with probiotics supplemented. Swine and chicken have no sickness, no antibiotics. Furthermore, since 2015, CPF has been a member of the World Business Council for Sustainable Development (WBCSD) and a force in driving sustainable food systems, in line with the global trend of Food and Nature, as the Company strives to pave way for a better world.

In 2022, CPF continued to move forward as a founding member of the “Food Reform for Sustainability and Health (FReSH) working group for the fifth consecutive year, by jointly establishing two key projects : the Responsible Meat Initiative (ReMi) and the Positive Consumption working group.

ReMI promotes the responsible production and consumption of protein through collaborative research

with 10 leading, globally-recognised educational and private institutions in food supply chain. The goal is to create industry and consumer best practices, or “REMI’s Material Topics,” in 10 areas that is applicable across the entire value chain : (1) GHG emissions (scopes 1, 2 and 3), (2) Circular economy, (3) Land use & biodiversity loss, (4) Water use and discharge, (5) Nitrogen & phosphorus, (6) Value distribution and rural communities, (7) Worker welfare, (8) Animal nutrition, antimicrobial interventions and animal health, (9) Animal welfare, (10) Demand for responsibly produced pork.

CPF has also participated as a speaker in the World Food Summit 2022 : Dialogue session, hosted by the Ministry of Food, Agriculture, and Fisheries of Denmark, serving as the sole representative from the Asian private sector on the topic “Climate Friendly Diet.” The Positive Consumption working group was established in 2022, after the collaborative research found that over 3.1 billion people worldwide lack access to a nutritious diet. Since then, CPF has been a part in the ongoing effort to drive effective practices for responsible consumption while finding ways to make better nutrition affordable for all. Furthermore in 2023, in support of the United Nations’ sustainable development goal of Zero Hunger (SDG2), the Company joined hands with 11 other global leaders to establish a joint framework, in line with the evaluations of the Food and Agriculture Organisation of the United Nations : FAO¹, and published the “Food Affordability”² report.



¹ The State of Food Security and Nutrition in the World 2022 | FAO | Food and Agriculture Organization of the United Nations

² <https://www.wbcasd.org/contentwbc/download/14604/208448/1>

Communicating Sustainable Consumption

Product labeling is one of the communication methods to relay nutritional information used in making purchasing decisions and raise awareness of the fundamentals of nutrition. As such, the importance of transparent and accurate product labelling cannot be understated. CPF prioritises clearly specifying nutrition and energy content based on product serving size and consumption amount, using clear and concise language, and identifying all ingredients to help consumers avoid allergens that may trigger a reaction. Additionally, CPF ensures information on packaging materials, including instructions on how to use, store, and dispose, is clearly labelled to facilitate proper disposal, contributing to sustainable waste management.

In 2022, all of CPF’s food and beverage products included Guideline Daily Amounts (GDA) nutrition labels, energy, sugar, fat, and sodium levels, for instance, which are important components that contribute to the development of non-communicable diseases (NCDs), are clearly indicated. Furthermore, the Baked Rice with Cereal and Chicken by CP Balance is among the products with a certified “Healthier Choice” symbol, an easily identifiable logo to encourage consumers to choose healthier food products with better nutritional value.



CPF has also established the CPF Consumer Center to serve as a comprehensive service centre in providing information, receiving complaints and service issues, and managing order placement and delivery of the Company’s products. The Center can be reached at +66 2800 8000 daily, from 8:00 am to 6:00 pm. In 2022, a total of 556 complaints were received.

Complaint	Number of Complaints (issues)	Remediation/Consequence
Complaints related to consumer health, such as sickness or falling ill	0	
Complaints related to product safety, such as finding unknown product components	135	Provide accurate information, negotiate, and compensate for damages
Complaints related to product quality, such as colour, scent, and taste	421	
Complaints related to product labelling, such as incorrect or incomplete information on labels	3	Provide clarification and offer settlement
Complaints related to product advertising, such as exaggerated or misleading claims	1	Suspend advertising and offer settlement

Given the Company’s strong commitment in delivering quality, safe, and affordable food products, there were no complaints related to the selling of prohibited or restricted items.



Human Rights and Labor Practices

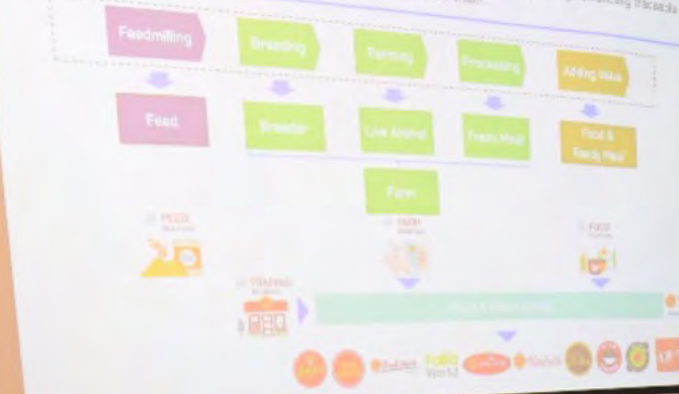
(Operations in 17 countries)



Human Rights and Labor Practices



CPF operates integrated agro-industrial and food business including swine, broiler, layer, duck, shrimp and fish. The integrated food process involves advanced production technology, qualified international standards, chemical-free production, safe with hygiene, while being environmental friendly, and systematically tracks risks throughout the whole food chain.





2030 Target

100%

conduct human rights due diligence every three years, including risk and impact assessment in high-risk areas

2022 Performance

100%

conduct human rights due diligence every three years, including risk and impact assessment in high-risk areas

Human Rights and Labor Practices

Human trafficking and modern slavery stand at odds with social justice and sustainable development. With over 50 million people around the world as victims of modern slavery due to illegal labor, bonded labor and forced labor¹, the international community has reached an agreement to eradicate modern slavery by 2030, which is in line with the UN Sustainable Development Goals (SDGs). However, the crises that have erupted over the recent years have elucidated many issues, for instance, education, employment, poverty, involuntary immigration, etc. These issues may trigger human rights violations, such as inequality, discrimination, lack of freedom of association and collective bargaining, or safety management (i.e., excessive use of force to maintain safety), child labor, and forced labor. At the same time, they are also the root of labor malpractice.

CPF is an operator of integrated agro-industrial and food business with investments and joint investments in 17 countries worldwide. The Company, thus, recognizes CPF's supply chain involves a wide range of stakeholders, such as employees, customers, consumers, suppliers, communities and society, who may be impacted by our business operations. Therefore, CPF is committed to ending forced labor and promoting good labor practices across both our value chain and supply chain. Meanwhile, we also assess risks that may directly and indirectly lead to human rights violations among these stakeholders.

¹ Global Estimates of Modern Slavery : Forced Labor and Forced Marriage, International Labor Organization and International Organization for Migration (International, https://www.ilo.org/global/topics/forced-labor/publications/WCMS_854733, September 2022.



Management Approach

- **Declarations of Policy and Commitment :** Declare commitment and governance of human rights through pertinent policies to establish confidence and ensure equal and fair treatment among all stakeholder groups. Promote freedom of expression, association, and collective bargaining as well as fair compensation. Focus on vulnerable groups to mitigate risks of human trafficking, forced labor, and child labor, with a determination to eradicate discrimination and oppose all forms of threats.
- **Instillment and Communication :** Communicate policies that incorporate the fundamental principles and international standards of human rights to employees and business partners to enable understanding and raise awareness on the importance of human rights.
- **Human Rights Due Diligence :** Conduct human rights due diligence on a regular basis to identify salient human rights risks, examine impacts and review performance for improvement in order to mitigate potential negative impacts from business operations on all stakeholder groups.
- **Receipt of Complaints :** Provide employees and/or stakeholders with a process for grievances related to human rights as well as a data/complaint verification process to enable the implementation of appropriate corrective or remedial actions on the damaged party. Complaints are also used to improve operations in order to prevent recurrence and new incidents.
- **Monitoring and Disclosure of Human Rights Performance :** Monitor human rights performance, verify actual impacts, improve established measures, consider additional policies to achieve maximum operational efficiency, and report performance to the public with transparency.

Implementation

Human Rights Due Diligence

As a result of our human rights due diligence (HRDD) process which includes a human rights risk assessment (HRRRA) and a human rights impact assessment (HRIA), CPF was able to develop preventive guidelines and mitigation measures to address the concerns of relevant stakeholders.

CPF's human rights risk assessment (HRRRA) is conducted in a systematic manner to identify salient risks and reduce any human rights impacts that may arise within CPF's operating sites and our value chain. A comprehensive HRRRA is performed every three years while a review of risks and management measures takes place on an annual basis.

In 2022, CPF conducted a human rights risk assessment on all activities and businesses across the Company's value chain, both in Thailand and overseas, totaling 17 countries. The assessment took into account employees and rights-holders involved in the value chain whose rights are potentially at risks. This includes suppliers, contractors, local communities, customers, consumers, LGBTQ+ (Lesbian, Gay, Bisexual, Transgender, Queer), racial and religious groups, minorities, people with disabilities, and socially vulnerable groups, such as the elderly, women, pregnant women, children, and youths. The HRRRA process also covers joint ventures as well as mergers & acquisitions.

According to the HRRRA results, no activities under the assessment scope were at risk of human rights violation due to forced labor, child labor, freedom of association and collective bargaining, or safety maintenance. However, salient human rights issues include :

CPF Businesses

- Employee health and safety
- Community health and safety
- Community well-being, access to clean water and sanitation
- Customer/consumer health and safety
- Supplier health and safety

Tier 1 Suppliers

- Employment conditions
- Employee health and safety

More detail is available in
CPF HRDD Report



In addition, the HRRRA found human rights risks in 14.04% of CPF’s total operating areas. However, all areas are equipped with mitigation measures and remedial processes to address cases of human rights violations.



In CPF’s total operating areas, HRRRA found human rights risks at

14.04%

In 2022, CPF also performed a human rights impact assessment (HRIA) for the first time to assess the actual impacts on the employees in Thailand in their capacity as rights-holders. The HRIA showed that 85% of employees in the sample group have clear understanding of the principles and guidelines of CPF’s human rights policies. The HRIA results also reflected the effectiveness of preventive and mitigation measures which will be used to streamline the Company’s operational processes in the future.



85% of employees have clear understanding of the principles and guidelines of CPF’s human rights policies

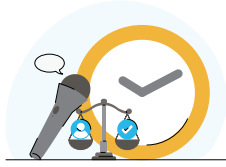
As a result of the continuous adherence to human rights principles as the basis of CPF’s operations across the supply chain, CPF won **the Outstanding Human Rights Awards 2022** for Large Business Organization for the second consecutive year. This award reiterates CPF’s status as a model organization committed to systematic and tangible human rights activities. In doing so, CPF emphasizes the management of differences and acceptance of diversity as well as the equal and equitable treatment of all stakeholders without discrimination. Moreover, the Company extends our knowledge and experience in human rights to business partners and farmers in the supply chain to enable good labor practices. CPF also conducts and reviews HRDD to improve operations in order to reduce human rights violation risks and mitigate potential impacts from our business operations. Furthermore, the Company also joins forces with national and international network partners to uplift the quality of life of employees and stakeholders in the effort to raise human rights standards in both the food industry and the society, which is in line with CPF’s sustainability goals.



Respecting and Upholding Human Rights

Keeping track of the outcomes of CPF's performance in terms of human rights and labor practices has led to the improvement of the following operational guidelines :

Human Rights Training



In 2022, 100% of employees under all CPF business units, covering both Thailand and overseas operations, received human rights trainings, a total

170,000 hours.

TRAININGS FOR THAILAND AND OVERSEAS OPERATIONS BY CPF

- Basing operations on good corporate governance in accordance with CPF's Governance Policy and Code of Conduct as well as the principles of fairness, integrity, correctness, and transparency according to the 6 values of the CPF WAY.
- In 2022, 100% of employees under all CPF business units, covering Thailand and overseas operations, received human rights trainings through a wide range of courses, namely **"CPF Code of Conduct"**, **"CPF 2030 Sustainability in Action"**, Fundamental Human Rights, Labor Rights, Occupational Health and Safety, and Personal Data Protection.
- Conducting annual trainings to review the **"CPF Code of Conduct"**.
- Communicating the Whistleblowing Policy, Conflict of Interest Policy, and Anti-Corruption Policy to relevant audiences.
- Reviewing training courses, regulations and procedures for migrant workers, including knowledge on labor rights and migrant labor standards, procedures before entering the production line, and basic electrical safety.

TRAININGS FOR THAILAND OPERATIONS IN COLLABORATION WITH THE LABOR PROTECTION NETWORK FOUNDATION (LPN)

- Under the Memorandum of Understanding between CPF and the Labor Protection Network Foundation (LPN) which has been extended for the fifth consecutive year, trainings relating to human rights and labor practices were held for both Thai and migrant workers to educate and raise awareness about their rights according to labor protection laws and international standards. The trainings also incorporated topics on the Thai culture to help migrant workers adapt effortlessly to the Thai way of life.
- Offering training to employees about the complaints handling channel and procedures via the **"Labor Voices Hotline by LPN"**. The channel is operated by a neutral organization that listens to opinions and suggestions, clarifies doubts, accepts assistance requests and grievances from employees of diverse backgrounds in race, religion, culture, belief, etc.
- For five consecutive years, three-hour training courses have been held to educate 91 batches of employees, bringing the total number of participants to over 3,300 people. The program covers various CPF establishments nationwide where 74% of the participants were migrant workers.

TRAININGS FOR THAILAND AND OVERSEAS OPERATIONS BY CPF (CONT.)

- Organize a Women Empowering Workshop to enable female employees to understand their rights, opportunities and potentials, cope with unseen barriers, and gain access to leadership development.

TRAININGS FOR THAILAND OPERATIONS IN COLLABORATION WITH THE LABOR PROTECTION NETWORK FOUNDATION (LPN) (CONT.)

- Employees took pre-training and post-training tests to assess their understanding of the contents as well as the course's effectiveness. The pre-training and post-training average scores in 2022 were 71 and 91, respectively.
- Organizing focus group sessions to learn about the livelihoods of employees, their suggestions and expectations in an effort to promote their well-being.



Training on human rights and focus group sessions in collaboration with LPN Foundation

Employment and Labor Management

CPF is adamant that the employment processes must comply with pertinent laws. Under the terms of the Memoranda of Understanding (MOU) signed by the government of Thailand and neighboring countries, CPF has employed migrant workers through legal labor recruitment agencies in the countries of origin as well as through direct recruitment by the Company. This move ensures that all processes and costs relating to the recruitment of these employees from the countries of origin are accurate, transparent and verifiable. Furthermore, all migrant workers are entitled to fair and equal treatment as Thai employees.

CPF fully understands bonded labor and forced labor may lead to the risks of human trafficking among migrants. Therefore, the Company has announced the Foreign

Worker Recruitment in Thailand Policy and carried out operations in accordance with the principles of Ethical Recruitment. Accordingly, all migrant workers employed by CPF shall not bear responsibility for recruitment fees and any related costs. CPF has established a clear process in selecting recruitment agencies whose recruitment practices align with CPF's policies, guidelines, criteria and procedures. Furthermore, the Company also conducts random post-arrival verifications on new migrant workers to confirm that all processes have been carried out in a transparent manner and in accordance with relevant regulations. Such measure allows corrective actions and remediations to be taken promptly in case of any discrepancy. CPF has implemented the aforementioned preventive measures to prevent employment of illegal labor, bonded labor, forced labor, child labor, and human trafficking, which may occur along the recruitment process.



In 2022, no noncompliance was found in the migrant worker recruitment and employment processes. Moreover, responsibility for relevant expenses was consistent with established policies and regulations which clearly states that migrant workers shall be responsible for personal expenses, such as passport fees, physical examination fees (at countries of origin), travel expenses, etc., while CPF shall assume responsibility for recruitment costs occurred in the countries of origin and all expenses occurred from the border to workplaces, including visa fees, physical examination fees for work permit application, work permit fees, visa extension fees, work permit renewal fees, etc. CPF is also responsible for expenses relating to COVID-19 testing and quarantine during the pandemic.

CPF's policies and guidelines relating to labor practices have been defined in accordance with the Thai Labor Standards (TLS 8001-2020) as well as international standards and customer specifications. Consequently, the Company has continuously heeded these policies and guidelines in the strictest manner. Complying with the law on the minimum age of employment, CPF does not allow youth workers to perform tasks that are hazardous to their health and development, including tasks that affect their compulsory education.

The Company does not charge fees or confiscate identification documents from employees. With a respect for differences, CPF treats all workers equally, without unfairly favoring or diminishing their rights based on race, nationality, ethnicity, skin color, origin, belief, religion, social status, sexual orientation, gender, age, physical anatomy, disability or infirmity, language, political opinions, marital status or any other factors that cause discrimination. Moreover, CPF places emphasis on preventing and resolving problems related to harassment of any kind.

In terms of remuneration management, the Company offers salaries, compensation, overtime pay and other forms of benefits in accordance with labor laws and in a timely manner. CPF is committed to paying employees a living wage without deduction, unless such action does not contradict with the laws. In addition, working overtime, working during holidays or working overtime during holidays must be voluntary on the employees' part. Meanwhile, both regular and overtime working hours shall not exceed legal limitations. Furthermore, the Company strives to promote, support, maintain and improve such practices in order to provide a safe working environment as well as prevent health impact on workers and relevant parties.

**Ratio of Entry-Level Compensation by Gender
to Legal Minimum Wage in Each Country of Operations**

COUNTRY	MINIMUM WAGE		RATIO OF ENTRY-LEVEL COMPENSATION TO MINIMUM WAGE	
	Male	Female	Male	Female
Thailand	353		1.03 : 1 (364 : 353)	1.05 : 1 (370 : 353)
Vietnam	6,621.16		1.003 : 1 (6,643 : 6,621.16)	
Russia	7,339		1.91 : 1 (14,024 : 7,339)	
Cambodia	6,427.2		1 : 1 (6,427.2 : 6,427.2)	
India	3,972.8		1 : 1 (3,972.8 : 3,972.8)	
Malaysia	11,594.5		1 : 1 (11,594.5 : 11,594.5)	
RoC (Taiwan)	29,040		1 : 1 (29,040 : 29,040)	

Remark : Compensation of entry level employees, males and females, are equal in Vietnam, Russia, Cambodia, India, Malaysia and RoC (Taiwan). Significant operations refer to operations with more than 2,000 employees working

CPF places priority in caring for our pregnant employees. Company allocates appropriate tasks and suitable workload for this group. Moreover, they are encouraged to breastfeed as it is the foundation of good health for children, preventing illnesses and promoting their intellectual development. In 2022, CPF launched the “Breastfeeding Room” by providing a hygienic space with beautiful setting in establishments to increase comfort for new mothers and facilitate breastmilk storage. The Company also offers knowledge about breastfeeding and postpartum tips from experts. In addition, CPF focuses on fostering a culture of equality within the organization and considers increasing paternity leave for our male employees.



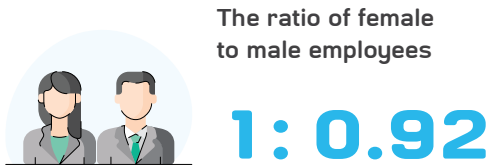
Managing Diversity and Inclusion & Promoting Engagement

CPF is committed to treating our employees equally while reinforcing a working environment of mutual respect and peaceful coexistence despite differences, without discrimination, harassment or threats of any kind. The Company also encourages employees to engage in driving the Company towards sustainable growth.

CPF targets to provide employees at all levels with protection and promotes zero tolerance on all forms of discrimination due to differences in race, nationality, ethnicity, skin color, origin, belief, religion, social status, sexual orientation, physical anatomy, disability or infirmity, language, political opinions, marital status or any other characteristics that incite discrimination. Moreover, CPF also prevents abuse and harassment of any kind, whether such behavior has a sexual connotation or not. This principle has been applied to employees at all levels, both in Thailand and overseas.

Under the UN Sustainable Development Goals (SDGs), CPF aims to drive the Company towards our sustainability goal on gender equality. The Company aims to achieve equal numbers and compensation rates for female and male employees with the same position level by 2030. In 2022, the ratio of female to male employees in

Thailand-based operations was 1 : 0.92 while the ratio of compensation for non-management level female to male employees was 1 : 1.15.



In addition, CPF supports recruitment from local communities. Consequently, 97.62% of the top management* in Thailand-based establishments are locals.



- Remarks :
- Top management refers to executives at the Senior Vice President level and above.
 - Significant operations refer to operations based in Thailand, which is where the Company’s headquarter is situated
 - Locals refer to employees with Thai citizenship



As a result of CPF’s firm commitment to equality, diversity and inclusion, CPF received the Second Runner-Up Award in the Gender-Inclusive Workplace Category from the “UN Women 2022 Thailand WEPs Awards” hosted by the United Nations Entity for Gender Equality and the Empowerment of Women, or UN Women. This award reflects the Company’s outstanding and continuous efforts to advance gender equality, encourage respect for diversity and promote equal treatment. This is in line with the Diversity and Inclusion (D&I) Policy which provides employees at all levels an equal opportunity to develop oneself and become leaders.

Furthermore, CPF won the “Outstanding Disability Employer Award” from the Ministry of Social Development and Human Security as well as the “2022 Outstanding Sustainability Model Organization in the Thai Capital Market for Contributions to People with Disabilities” from the Securities and Exchange Commission (SEC). These awards and recognitions reaffirm CPF’s position as an organization that adheres to the principles of

human rights as the basis of business operations. Under the “CPF Sustainability in Action” Target, CPF accentuates on diversity and inclusion. Since 2017, the Company has launched the Disability Employment Project in accordance with the Empowerment of Persons with Disabilities, B.E. 2550 (2007) to ensure job security and income stability for people with disabilities as well as uplift their quality of life.

At present, CPF employs 671 persons with disabilities, which is higher than the legal requirement. The Company classifies disability employment into 3 groups based on suitability : 1) employing 164 people with disabilities to work in CPF offices nationwide, 2) employing 506 people with disabilities to work in disabled communities or public benefit organizations, e.g., hiring people with disabilities to assist in the “Raising Layers for Student’s Lunch” Project, supporting the employment of national wheelchair basketball players, and 3) granting one concession for people with disabilities to market their products in the Company’s factories under Section 35 of the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007).

SUPPORTING DIVERSITY PROJECT



CPF strives to create a workspace that supports diversity and inclusion to enable creativity and innovation as well as promote a friendly working environment. Accordingly, we have established the LGBTQ+ Club and organized five consecutive activities according to plan throughout the year to communicate on the acceptance of diversity in terms of ethnicity, age, gender, and sexual orientation. Currently, the LGBTQ+ Club consists of 130 members and 6 Club Committee members. Furthermore, the Club has held Talk & Networking activities to discuss racial diversity, age gap, gender equality as well as other activities to promote diversity within the organization. It also plans to host Pride Month activities, LGBTQ+ campaigns and the Market /Pride Fair (D&I DEI Market/Pride Fair) in the future.

Objectives of the LGBTQ+ Club



ENCOUNTER Supporting diversity and inclusion of employees in terms of race, culture, physical disabilities, gender and experience.



ENVISION Creating a learning process to understand a corporate culture that values diversity and participation of all employee groups.



ENCOMPASS Promoting a working environment and society that allow employees to be themselves and enable self-love in the best possible way.



ENGAGEMENT Participating in engagement activities and social contributions.

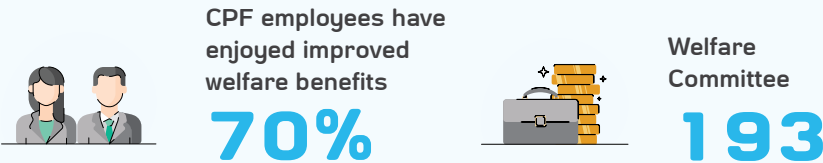
Welfare Committee in the Workplace

To promote awareness of equality and support for the mutual respect of rights among employees at all levels and of all nationalities, CPF has established the Welfare Committee to serve as another channel of communication between employees and the Company. The Company also encourages employees to take part in expressing views, opinions, suggestions and complaints through elected representatives. The Company has prepared easy-to-understand public relations materials in Thai and the native languages of migrant workers to provide information about the importance, roles, duties and operations of the Welfare Committee in the workplace, such as promoting good relations between employees and the Company, improving welfare and working conditions, enhancing work efficiency in the workplace, etc.

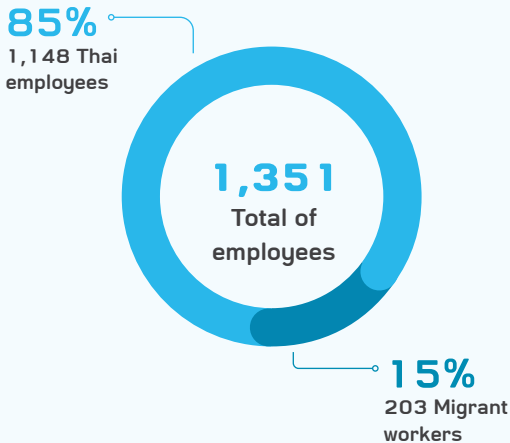
CPF has set the number of Welfare Committee members to higher than the minimum legal requirement but not exceeding 17 people, based on the size of each establishment. The Committee should include members from vulnerable groups in terms of gender, nationality, religion and disability. However, if the elected Welfare Committee does not incorporate such diversity, CPF also shall establish a Welfare Sub-Committee to address the problems and suggestions of employees from these vulnerable groups. The issues are then compiled and presented to the Welfare Committee prior to meetings with management representatives which take place every three months or on a more frequent basis as deemed appropriate. The meeting reports, which are recorded in Thai and the native languages of migrant workers, are posted on notice boards in the workplace for general acknowledgement.

CPF Employees in Thailand-based Operations

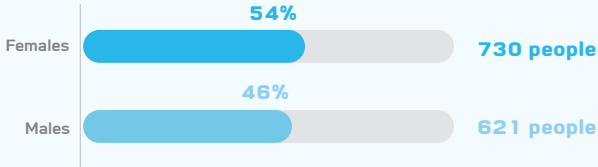
In 2022, 70% of CPF employees in Thailand-based operations have enjoyed improved welfare benefits which were a result of the Welfare Committee in the Workplace mechanism. At present, CPF has a total of 193 Welfare Committees with 1,351 members.



Total CPF Employees :



Genders :



Religious beliefs :





Labor Voices Hotline by LPN

In 2022, CPF and the Labor Protection Network Foundation (LPN) signed a Memorandum of Understanding to extend the “Labor Voices Hotline by LPN” for the fifth consecutive year. LPN acts as a neutral organization that listens to opinions, suggestions and complaints from employees of diverse backgrounds in nationality, religion, culture, belief, etc. This channel of communication has permitted CPF to acknowledge problems and suggestions raised by employees while enabling the prompt and efficient response to such issues. It has also provided opportunities and encouraged employees at all levels and of all nationalities to freely express their opinions. At the same time, it has contributed to the promotion of a good working environment and equal participation. CPF welcomes feedbacks from our employees in three languages, namely Thai, Burmese and Cambodian, in an endeavor to assist all employees, especially migrant workers, in leading a happy personal and professional life in Thailand. This campaign has also established a corporate standard that encourages equal treatment and mutual respect.

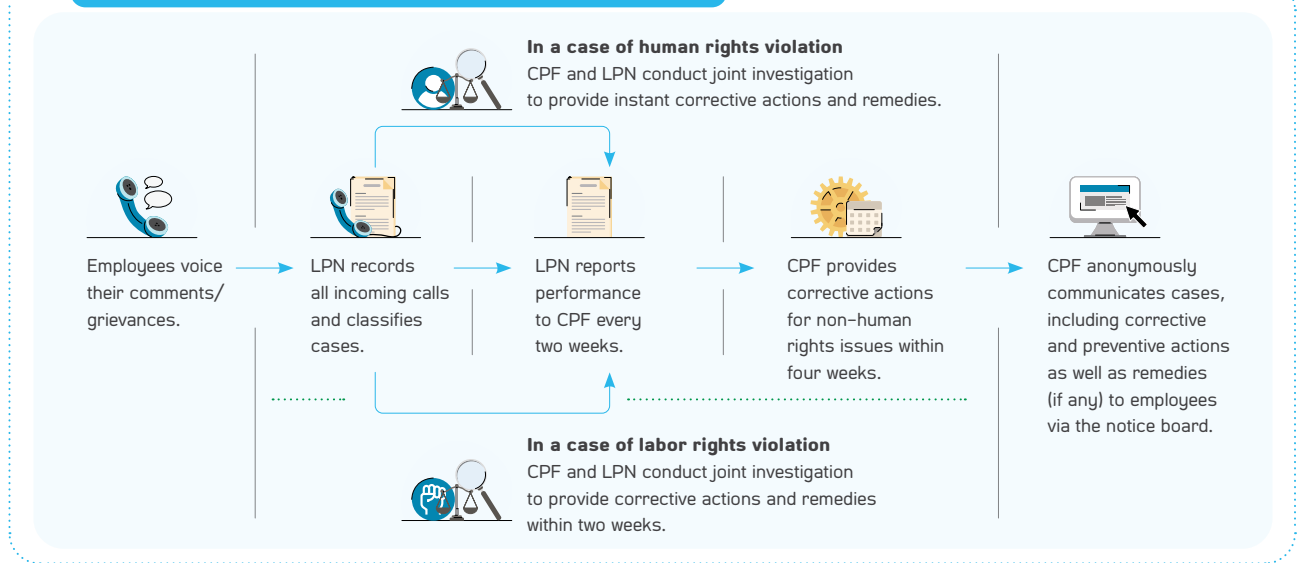
Remediation & Grievance Process

CPF attaches utmost importance to communication, specifically two-way communication, which is crucial in building and fostering relationships between employees and the Company. When employees communicate their opinions, suggestions, doubts, assistance requests or grievances, the Company will apply these issues to evaluate, analyse, review, and improve management plans and operations in order to provide a suitable and accurate response to meet employee expectations.

More details on
Grievance Process



Grievance Management and Whistleblowing Process



As part of the complaints management process, the **“Labor Voices Hotline by LPN”** records all incoming calls and classifies each complaint according to its nature.

- In a case of human rights violation, CPF and LPN conducts a joint investigation to provide instant corrective actions and remedies.
- In a case of labor rights violation, investigation and remedies must be completed within two weeks.
- In other cases, CPF will proceed and provide a response within four weeks.

In 2022, CPF received one complaint through the **“Labor Voices Hotline by LPN”** concerning an error in compensation payment. According to investigations, the error was caused by a supervisor’s negligence to inform the Human Resources Department about the transfer of an employee. As a result, the employee’s data had not been updated into the system. However, the Company hastened to resolve such discrepancy within the established timeframe and communicated this issue to the supervisor, stressing on the need to strictly follow procedures upon transferring employees. To prevent future errors, CPF has reviewed relevant processes and procedures for greater efficiency.



Employees and Communities



Community Development and Support



Talent Management



Organizational Culture and Management



Employee Well-Being, Health and Safety



Cassava Plantation benefitting from CPF Nonsi farm swine manure fertilizer, Gaminburi, Prachinburi Province



2030 Target

Improve the livelihoods of
3,000,000
 people

in communities connected to our business activities.

2022 Performance

Improve the livelihoods of
2,516,456
 people

in communities connected to our business activities.

Community Development and Support

CPF conducts business activities in many areas across the globe, thus creating direct employment in communities and enabling economic growth thanks to the procurement of agricultural products and related services. Nevertheless, the activities carried out within our establishments may cause both social and environmental impacts on surrounding communities, such as safety, traffic, pollution, etc. Hence, stringent management approaches are required to mitigate these impacts. Furthermore, engagement with the communities plays an important part in enabling the Company to acknowledge the needs of the locals in order to determine accurate support and assistance measures. Incidentally, employment rate has contracted due to the global economic slowdown and natural disasters. Therefore, fostering professional agricultural and business skills for community members by leveraging CPF's strengths is essential in uplifting the quality of life of communities and the society.

CPF's business operations are connected to a wide range of suppliers, farmers and small business entrepreneurs. Therefore, the Company recognizes the importance of taking part in the management of social and environmental issues. In doing so, CPF aims to drive social values, create jobs to distribute income to local communities and protect biodiversity. Furthermore, CPF aims to achieve sustainability by instilling learning skills in communities and vulnerable groups, enabling them to cope with changes, become self-sufficient as well as increase, expand and share the knowledge they have gained to build a strong community.

Management Approach

- **Declarations of Policy and Commitment** to conduct business with social and environmental responsibility in tandem with sustainable growth.
- **Formulate Strategy** on social responsibility towards sustainability, clearly defining the relevant structures and duties in implementing the project, setting clear and measurable goals, and closely monitoring implementation.



- **Prepare a Budget Plan** for social investments and donations to achieve maximum benefit.
- **Create Engagement with Communities** through actions that support smallholder farmers and community education, strengthen food and nutrition security, and improve the local economy.

Implementation Community Support

CPF attaches importance to participation between our establishments and surrounding communities to enable their harmonious coexistence. The Company supports arming the locals with necessary knowledge to build skills for occupation while stressing on hiring them to promote income distribution. In addition, CPF has adopted community tools, such as geo-social mapping and building dialogues to explore community requirements and plan community engagement. In 2022, the Company conducted a survey of all the Company's operating areas to assess the impacts of operations on surrounding communities and found that all the significant impacts are from livestock animal feed mill sites. The livestock animal feed mill sites, hence held community dialogues for 1,415 people and acknowledged 23 issues regarding the requirements, expectations and concerns of the communities, such as environmental pollution, community quality of life promotion, the Company's engagement in community activities. Consequently, CPF adopted these requirements as the starting point for the implementation of more than 12 integrated projects, including the "Community Career Promotion Project through Animal Farming and Organic Crop Cultivation", the "Safe School Project" to educate students about safety in daily life, the "Growing Happiness, Growing Futures Project" to promote access to nutritious food for children and youth. All projects advocate the continuation and sharing of accomplishments to partner networks in conjunction with focusing on laying a foundation for projects to further build skills and generate income for the communities.



Supporting communities around the establishments

5,273*

through various projects, such as Growing Happiness, Growing Future in Thai operations, Sustainable Corn Project in Lao operations, Chicken with red scarf project in Vietnam operations



Supporting income generation for

102,232*

smallholder farmers through the Contract Farming.



Providing

8,048*

small entrepreneurs with opportunities to start their own businesses through various projects such as Five Star business, Hi Pork and Iron Pan etc.

*Performance of operations in Thailand, Vietnam, Cambodia, Laos, Malaysia, the Philippines, India and Türkiye.

In 2022, CPF Thailand Operations had supported societies in the form of charitable donation (7%), investing in community support (66%), and giving supports through commercial activities (27%). The forms of social contributions vary according to activities as follows :

Cash

477 million Baht

Volunteer Time

3 million Baht

In-Kind Giving

39 million Baht

Management Overheads

29 million Baht

Total

548 million Baht

In addition, CPF has launched a channel to receive grievances from communities. Accordingly, representatives from the CSR and sustainable development department would make enquiries through regular visits to the communities. In 2022, there were no complaints on the environment and social issues from communities.

Community Quality of Life Promotion Projects

In 2022, CPF performed social impact assessments on two community quality of life promotion projects, which account for 3% of all community quality of life promotion projects. The data has been certified by LRQA (Thailand) Co., Ltd. Details are as follows :

CREATING AND MAINTAINING COMMUNITY'S WAY OF HAPPINESS : COMMUNITY DRINKING WATER PROJECT



Access to hygienic drinking water that meets standards is fundamental to life. Since 2019, CPF initiated the Baan Thammachart Lang Community Drinking Water Project in Laem Ngop district, Trat province to alleviate problems, such as shortage of clean and sufficient drinking water in the community, poor quality drinking water, costs of external water purchase for consumption, while contributing to the creation of jobs and income for the community from sales of drinking water. Under the project, CPF employees acted as mentors to educate community members on how to improve the drinking water production system, quality control and measurement of drinking water quality in accordance with the standards established by the Provincial Public Health Office (Food and Drug Administration – FDA), Department of Medical Sciences, and the Ministry of Public Health. Furthermore, CPF also provided support in the form of tools, equipment and trainings on occupational health and safety while encouraging the establishment of **“Baan Thammachart Lang Community Drinking Water Enterprise”**. In 2022, CPF urged the community to build a bottled water brand, develop its packaging, increase production capacity and expand market channels to facilitate the distribution of the drinking water.

2022 Performance

More than
1,500 Beneficiaries
from the project

Generated an income of
216,000 Baht
for the community

Reduced community
expenses by
265,000 Baht

Total financial value in
economic, social and
environmental aspects at
306,000 Baht

Budget used
167,000 Baht

EGGSHELL FERTILISER FOR COMMUNITY PROJECT, FARMERS OF BAN SUP RUANG SAI, CHAIYAPHUM PROVINCE



CPF recognized the opportunity in utilising discarded eggshells normally disposed of by landfill in farms. Such disposal method emitted greenhouse gas and caused odours that affected the surrounding communities. Accordingly, the project transformed discarded eggshells and manure into fertiliser to reduce the amount and costs of waste disposal as well as lower fertiliser expenses for the farmers of Ban Sup Ruang Sai in Chaiyaphum province under the concept of **“turning waste into value, adding organic matters to the soil”**. CPF collaborated with experts, such as Chaiyaphum Land Development Station, Ban Sup Ruang Sai Self Sufficiency Learning Centre, and the Faculty of Environment, Mahasarakham University, to study and collect data for the development of high-quality organic fertiliser for farmers to replace chemical fertiliser. This organic fertiliser has contributed to increasing productivity and resolving the soil problem by transforming hard, dense and dry soil into loamy soil.

2022 Performance

Reduced waste for landfill
disposal by more than 60
tons per year, reduced costs
by approximately
60,000 Baht per year

Provided the fertiliser
to 63 farmers, covering
an area of
500 rai

Produced
150 tons
of organic fertiliser per year

Agricultural productivity
increased by
20%

Reduced fertiliser expenses
for farmers by over
80,000 Baht

Budget used
98,000 Baht



Beyond SIA, the Company also applies nature-based solution (NbS) to develop diverse projects, enabling enhanced quality improvement for communities, such as Stingless Bee Miracle project : Stingless Bee Road.

STINGLESS BEE MIRACLE PROJECT : STINGLESS BEE ROAD



CPF has a revenue-generation project for communities around our operations in Koh Phet sub-district, Hua Sai district, Nakhon Si Thammarat. As the area has multiple abandoned shrimp ponds and dense trees, the Company commenced Stingless Beekeeping project to promote maximized benefits off abandoned shrimp ponds. This provides additional revenue generation for communities, eco-tourism, and a learning center, called 'Stingless Bee Road.' The communities become famous and well known from constant exhibitions and showcase, such as 2021 and 2022 national research exposition. Furthermore, stingless bees are excellent pollinators facilitating agricultural productivity and enhanced revenues. They also serve as a bioindicator of chemical usage in the area. As the bees are highly sensitive to chemicals, there is now decreased chemical use, thus beneficial to the locals' health. Furthermore, stingless bee honey also have more properties than its general counterparts. This means it is desired by both domestic and international market alike.



2022 Performance

60 members

Income of **52,963 Baht** from sales of stingless bee honey products



Additional project information is available at FB : Praow Plern



2030 Lifelong Learning Target

3,000,000
hours

of education and training for employees

2022 Performance

1,772,551
hours

of education and training for employees

Talent Management

In 2022, it has been forecasted that, by 2030, there would be a labor shortage trend of over 85 million vacancies lacking talents with matching competencies.¹ This challenge may negatively affect the private sector’s revenue-generation capacity. This includes impacts to overall economy and society, such as the increased labor shortage rate, inequality that may arise from individuals with necessary skills for future economy versus those without. Furthermore, the business sector also requires employees of future skills ready to fully transition into a digital era, aspiring for amplification of the Company’s competitive capacity.

CPF, as a large integrated agro-industrial and food business, employs over 135,000 individuals globally, with new hires of at least staff-level at over 8,400 individuals, an equivalent to 16.5% of total employees. In 2022. The Company thus prioritizes talent attraction and retention, in tandem with employees’ knowledge and capacity development. This elevates competitive capacity and aligns with the Company’s aim to enhance employees’ quality of life with fair compensation, ensuring good talents remain and grow with the Company sustainably. Following employees’ survey collection across Thai operations and overseas in the past year, it was revealed that employees place an emphasis on human capital management, particularly on fair compensation and welfare. This is because the topics directly affect work and wellbeing, which has impacts on employees’ and their families’ quality of life.

¹ Franzino, Michael; Guarino, Alan; Binvel, Yannick; Laochez, Jean-Marc. “The \$8.5 Trillion Talent Shortage.”, Korn Ferry, March 20 18, <https://www.kornferry.com/insights/this-week-in-leadership/talent-crunch-future-of-work>, Accessed January 2022.



Management Approach

- **Aspiration to Become an Organization of Learning** develop the necessary knowledge and skills to employees through Learning Community. A Knowledge Management Committee has been founded to help ensure readiness for present and future business conducts. This includes continuation of knowledge sharing to employees' families, suppliers and youths in society, ascertaining responsiveness to labor market and create a culture of lifelong learning.
- **Talent Attraction and Retention to Continue Working with the Company** by recruiting individuals with matching capacities to CPF's needs and ensure retention for hand-in-hand growth with the business. It serves as a mechanism to bolster the Company's competitive edge sustainably, simultaneously with performance management and fair compensation, and career advancement plan indiscriminately.
- **Employee Development towards a Digital Work Process** raise the efficiency level and enhance employees' effectiveness performance by implementing a digital system throughout human capital management work process.
- **Strategic Workforce Planning** by develop a human capital management plan in alignment with the vision, mission and strategic targets.

Implementation Becoming an Organization of Learning

The focus is on employee training to achieve the goal of supporting education and skill training matching the business' needs, to drive the Company to achieve strategic goals planned. For this year, the Company aims to train and develop employees of all levels at least 13.10 hours/person/year.

People Capability Development and Global Mindset

The Company is committed to developing employees by fostering knowledge and necessary skills for present and future business alike, fully transitioning towards a digital era. The culture of lifelong learning is promoted as part of corporate culture for every employee through the following 4 programs for employees' learning and development.

1. CPF Fundamental Program facilitates employees' learning of corporate value, the Company's businesses and fundamental digital knowledge, such as Digital Literacy 100, Cyber Security, to name a few. In 2022, over 21,000 people completed all fundamental trainings, totaled over 170,000 hours.
2. Future Skills Program develops employees for the necessary future knowledge and skills. This is divided into 2 groups. The first group is Digital skills; in 2022, the Company provided training across 7 aspects of digital skills, covering over 60 curriculums. The training target was that 40% of employees of staff-level and above should have greater digital skills by 2026. The second group is Non-Digital Skills, which emphasizes on building new skills, elevating the skills in status quo, and instill employees with global mindset. This ascertains readiness to accommodate the Company's growth in the future, such as Critical Thinking, Resilience, and Agile Project Management. In 2020, over 9,000 employees have received trainings from this group.
3. Managerial & Leadership Development Program aims to develop Management at each level to become leaders of the future, with strategic thinking and planning, as well as embracing the role of a change leaders. In 2022, a total of 2,746 high level executive Management, Management-level leaders and managers participated the program.
4. Technical Skills Program drove the founding of employees' technical academy for each professional expertise. This allows the development of knowledge and skills necessary to perform according to strategic and business goals. In 2022, the Company founded a Technical Academy for a total of 23 functions, 40 curriculum and 200 knowledge topics. The target is to establish 100% of Technical Academy by 2023.

KITCHEN OF KNOWLEDGE



CPF aims to develop a novel knowledge management prototype, promoting on-demand learning accessible anywhere and anytime. This can also be built upon the training curriculums for suppliers, stakeholders and the general public in Thai society. In 2022, the Company successfully shorten the new employees' orientation trainings on the Company overview from 3 months to only 3 weeks. This helps reduce training expenses by 10 million Baht per year.

Development of Talents and Success Plan

CPF prioritizes the development of leaders to become **"Talents"** through Leadership Project (Tao Kae project). This was achieved utilizing the strategy of **"Leaders leading leaders,"** sharing experience between generations of leaders. It equips readiness for new generations of leaders by developing curriculum that is applicable in actual context, such as a trainings on setting strategic targets to success, resolving challenges and decision-making, to name a few. Furthermore, the Company makes development plans for high potential employees to ascertain readiness as a success for critical position, such as CEO, positions relating to key business, as well as positions lacking matching workers. CPF utilizes tools of globally recognized standards in recruitment of high potential talents matching the needs of CPF's strategic direction. Notably, there is readiness preparation for successors through the development of individual development plan, trainings in **"CPF Leadership Program"**, Job Shadowing and systematic Strategic Rotation planning.

Talen Attraction and Retention to Work with the Company

This was achieved through continuous proactive recruitment, through 3-strategy recruitment approach, **1) BUILD : Reskill and Retool,** create and develop tertiary education's students through collaboration with various academic institutes. Undergraduate programs relevant to the Company's future strategy is develop, thus raising the education level by utilizing knowledge and the business sector's actual experience for cascading through lectures

and hands-on experience. This provides students opportunities to study and innovate solutions that can be applied in actual context, as well as creating the chances to foster experience through internships, such as summer internships, cooperative education, and bilateral education. The emphasis is on Project Based Learning to build on an individual's readiness, Enabling them to become CPF employees.

- 2) BUY : Talent Attraction** – recruiting employees of certain employees, those whose skills are currently lacking in the labor market, and those with future skills, domestically and internationally, to prepare manpower in accordance with the business expansion
- 3) BORROW : Strategic Rotation** Rotate experts, both from within and outside Charoen Pokphand Foods, with the knowledge, skills befitting the job requirement, to share their knowledge and build upon employees' skills and experience, honing for technical tasks.

The Company developed employee recruitment channels through a network of academic institutes and online communities, as well as through partnership projects with leading higher education institutes, domestically and internationally. This allows joint-development of students' capacity and experience to fit the market's needs, as well as building skills of the future, aiming to contribute in propelling the country forward. Friends recommending friends project creates engagement among current employees in recruiting new employees, in a way that is effective fast and economical. Employees can promptly adapt to corporate culture. There is also a focus on Employer branding, through 3 primary



online channels, which are LinkedIn, Line Official and Facebook Career Page. This attracts high talents into working with the Company, establishing good image and social license, becoming the Employee of Choices. In 2022, the Company has 10-27% followers increase in each platform.

Performance Management and Fair Compensation

CPF prioritizes managing performance to achieve goals, by setting criteria and Key Performance Indicator (KPIs) clearly aligning from corporate levels linking to individual level. This corresponds to fair compensation management, as well as welfare provision for employees to attract and retain talents to continue being with the Company. The details are as follows.

- **Compensation** In 2022, 100% of employees have received performance review and corresponding compensation fairly. Furthermore, the Company has conducted studies on Living Wage to compare with leading organization's practice, domestic and international. This elevates employees' wellbeing, bolster purchase power and create positive impacts to the overall economy, both at corporate level and national level.
- **Benefits** The Company organized annual health check-up programs befitting the employees' age group, provided paternity leave, flexible working hours, accommodation, food and shuttle buses for employees in non-urban areas, with difficulty in logistics.
- **Wellness** Increase extracurricular activities for employees to work together through 17 diverse clubs. A debt clinic was founded, and aid welfare provided for those affected by natural disasters or accidents, to name a few.
- **Rewards & Recognition** comprises projects to praise employees whose behaviors align corporate values, and projects to commend CPF innovation through I-Score .

Employees' Career Development Plan

CPF is aware of the importance in employees' career development plans, adhering to flexible and diverse career path management, corresponding to the business and employees' needs. The Company supported employees in developing career path plans with supervisors. This serves as a channel to learn of career aspirations through individual development plan (IPD). In 2022, 100% of employees have completed individual development plans to retain **"talents"** to continue growing sustainably with the Company. Furthermore, the project **"Chance for Change Program"** also promotes employees in designing their career path, choose their **"dream work"** by themselves. This allows employees the opportunities to rotate into a new career path and continue growing within the Company.

Employee Development toward Digital Work Process

CPF aims to create a new corporate culture that is change-accepting and prioritizes HR transformation. The Company implements more digital tools at work, giving agility for employees to conveniently use communication tools or work programs. This helps them save time and realizes their full potential. In 2022, the Company utilizes digital technology in Human Resource function throughout the Employee Life Cycle. This was made possible by using SAP SuccessFactors through HR-eXp, which helps reduce transaction duration by 20%, as well as helping allocate strategic work hours by as much as 22%. The Company has conducted a satisfaction survey with SAP SuccessFactors' users through HR-eXp projects. It was revealed that employees' satisfaction was as high as 88.2%. Furthermore, the system's adoption rate was at 99.2%, therefore demonstrating employees' willingness to adopt digital tools as part of the human resource management process. Notably, the Company has expanded HR-eXp project's performance to business overseas. The first pilot was in Vietnam, where the system was accessible since November 2022 and will be scaled up to Malaysia and Cambodia in 2023 thereafter.

Strategic Workforce Planning

The Company plans and analyzes strategic workforce systematically, covering both operations in Thailand and overseas, with association to both present and future business plans. This aims to avail benefits in workforce demand and workforce supply management, ensuring balance and standardization across every function. **The 6-rights framework** from Korn Ferry, a globally renowned consultancy, was adopted. The details are as follows.

- 1. Right Size** : Setting the appropriate workforce to ensure business conduct is efficient and effective.
- 2. Right Shape** : Develop an employee structure which accentuates supervisory path design, establishment of work positions complementing the work types, as well as overall governance of every function and business units.
- 3. Right Skill** : Employee development plan by considering future work type and analyzing future skills.
- 4. Right Source** : Adopt new technology to minimize labor cost, enhance effectiveness and ensure safety in business operations.
- 5. Right Site** : Set up an efficient and appropriate number of employees, specifically those whose skills match the business needs and in the most suitable location.
- 6. Right Spend** : Calculate human capital budget corresponding to the business' productivity.

Aforementioned analysis results then were used to develop every function's Key Performance Indicator (KPIs), which is used to measure the business' productivity and benchmarked against peers' best practices.

The Company assesses human resource management's effectiveness by discussing with relevant stakeholders to understand the performance. It was discovered that digital self-taught learning system and associating learning with the business' real projects result in aligned employee development and achieving business targets. In 2022, the implementation's strength was the accessibility ease to learning and its perfect fit to needs,

allowing immediately application, as the projects in charge become part of the trainings. Meanwhile, points that require further improvement would be the coverage and continuity. Stakeholders recommend that the new employee development, which makes association to existing projects, should be scaled up to every type of curriculum. The Company has made considerations and will be adjusting the management approach. In 2022, the training curriculum requires participants to consider bringing their work or projects in change to facilitate their learning. This will become a prerequisite for training participation.

Due to the commitment to manage human capital with utmost effectiveness, in 2022, the Company's voluntary turnover rate globally was at 38,914, and equivalent to 28.8%. Meanwhile, Thailand's voluntary employee turnover was at 15,317, and equivalent to 22.0%, which is a decrease from 2021.

Additional information is available on the company website under the section 'Lifelong Learning'.

More details on
Lifelong Learning





2022 Goals

Implemented plans to raise employee engagement level

2022 Performance

The Company has implemented plans by **100%** to raise employee engagement level

Organizational Culture and Management

Organizational culture and management remain critical topics in the labor market with high a high turnover rate. A survey consolidating opinions of 52,000 workers globally, revealed that even in 2022, **the Great Resignation** showed no signs of slowing down. The business sector continues to face increasing expectation from the employees, especially regarding compensation, meaningful job and a corporate culture that accepts diversity and prioritizes responsible business conducts.¹

CPF, as a large integrated agro-industrial and food business, is cognizant of the importance in building and instilling the Company’s organizational culture and management. It is treated as the very heart guiding employee’ work direction to be clear and appropriate, befitting the Company’s strategic goals, thus leading to business efficiency. Following an opinion surveys of employees, both in Thailand operations and overseas, in the past year, it was revealed that employees focus on organizational culture and management. This is because such topics affect employees both in job values, work format, work environment, professional growth, as well as good wellbeing, both directly to employees and indirectly to their respective families.

¹ “PwC Global Workforce Hopes and Fears Survey 2022.” PricewaterhouseCoopers, 2022, <https://www.pwc.com/gx/en/hopes-and-fears/downloads/global-workforce-hopes-and-fears-survey-2022-v2.pdf>, Accessed January 2022.

Management Approach

CPF emphasizes instilling employee love and engagement to the Company, fostering employees’ knowledge and understanding concerning CPF’s business. This enables them to protect the Company well and communicate to the public accurately. Employees receive the opportunities to take part in co-creating a pleasant and livable society through diverse projects aligning with the 6 values of the CPF WAY, resulting in actual implementation via CP Love Platform through the 3P Principle, as follows.





Three Benefits to Sustainability
(for the Country, People and the Company)



Adapt to Change



Speed and Quality






Simplification



Integrity, Honesty and Reciprocity



Innovativeness

 PROCESS	 PEOPLE	 PLATFORM
<p>A communication process to cascade organization’s knowledge, experience and vision to all levels of employees systematically.</p>	<p>Select CP Ambassador, the role model of a talented employees according to CPF way. The ambassador loves CPF and is knowledgeable about the Company. They would become a change agent, representing business unit in communication and help drive positive organizational changes, disseminating corporate love and engagement to fellow employees. In 2022, there was a total of 310 CP Ambassadors.</p>	<p>Develop communication in 2 ways through CPF Family platform, with the support of HR-eXp system, serving as a communication channel, as well as providing employees the opportunities to exchange knowledge, promote good work experience. It is always accessible whether through smart phone or computer.</p>



Furthermore, the Company aims to elevate employee engagement through CPF@Heart project. There is communication and publicity of various activities real-time through CPF Family and other channels, such as CPF Connect, emails, and Facebook Official Page. This helps increase efficiency and foster collaborative work culture, comprises 2 sub-projects, as follows.

CPF WE CARE



Care for Benefits : Focus on employees’ welfare and compensation, such as guaranteeing fundamental welfare for all full time employees.² This includes life insurance, accident insurance, treatment fees, annual health check-up, maternity and paternity leave, compensation for retirees covering the maximum of 400 days, financial aid in case of disasters, accommodation and shuttle buses for employees in remote areas and difficult logistics, bereavement support payment, support payment for ill employees and their families, as well as visiting gifts for sick employees. Furthermore, the Company has commenced projects benefiting employees, such as debt resolution projects to reduce employees’ burden, and scholarships projects for employees and their children, domestically and internationally.



Care for Career : Focus on employees’ professional advancement, such as communicating Key Performance Indicator (KPIs) and Individual Development Plan (IDP). In 2022, employees conduct individual development plans for 100% of employees. There are also employee development projects to promote future skills, namely Digital skills, and Imru platform for personal development and knowledge exchange across various dimensions.



Care for Culture : Focus on promoting good work culture, constructively enhance work environment by guidance instead of a direct lead. The Company provides opportunities for new generations to explore new experiences beyond the existing framework. The project “**Immediate praise**” encourages instant commendation of employees who performed well or executed a good deed. As of 2022, there was a total of 63,071 praises made from a total of 10,445 users.



Care for Well-Being : Focus on employees’ health and wellbeing, such as hygienic breastfeeding corner, providing knowledge for mothers-to-be and new mothers to accurately care for themselves through Health Talk project, being mindful of stress, and set up 17 different clubs to promote employees’ emotional wellbeing and mental health. The clubs comprises of Badminton, Go club, Tasting Club, Tourism Club, Tight-knit family club, and LGBTQ+ clubs, to name a few. In 2021, over 6,900 employees have participated in all 17 clubs. The Company has organized a total of 198 activities, with participants of over 63,000 employees.

Furthermore, there has been support provided for employees during COVID-19 and amidst floodings. There are also MorDee application, serving as an online medical consultation service for employees, Buddhist Kathina Robe Offering ceremony, and Buddhist prayers for employees to participate.

Additionally, the Company has launched ‘Happy Retirees’ Project to support employees entering retirement age, or those of 50 years old and above, bolstering their confidence for the next chapter of life. The Company provides training and consultation concerning post-retirement life, financial readiness and how work expertise can further build livelihood upon retirement. Retiring employees also receive special opportunities to own franchise for in CP Group as well.

² Full time employees exclude temporary or part-time employees

CPF LOVE & SHARE



Focus on giving out privileges and discounts for employees and families alike. This includes privileges when consuming products of the Company's business units, special privileges for communication tools and service of TrueMove H network, as well as a privileges in MG vehicle purchases.

Implementation

Promote Diversity by Supporting Working Parents

CPF aspires to become a workplace that provides equal opportunities for all to grow, and to build the personal lives of their dreams. Parental level for female employees is at 98 days, with 53 paid days as stipulated by the laws. Similarly, male employees also receive paternity leave upon their spouses' due date for 7 days, as stipulated by laws. All paternity leave days are paid. In 2022, there was a total of 36,257 employees, with 884 exercising their maternity leave. Furthermore, the Company has allocated breastfeeding space at plants and offices, as well as allowing employees working-from-home arrangement. In 2022, a total of 814 postpartum employees have returned to the office, an equivalent to 92% return to work rate. A total of 654 employees have exercised the right for leave and return to work after 12 months, equivalent to 74% employee retention rate.

Notably, the Company has enhanced diversity in the Company successfully, by increasing the rate of female leadership from 22% in 2021 to 26% in 2022.



Total Maternity Leave

884 employees

For 2022, the Company's employee engagement was at 64%, a marginal decrease compared to previous result. This is because employee engagement must factor in the changing external factors from inevitable circumstances, such as pandemic COVID-19. However, the Company aims to develop employee engagement continuously. Results will be utilized to further develop employee engagement plans. According to 2022 analysis, it was revealed that the implementation's core strength was in better engagement through recurrent club activities. This year, an entirety of 86 events have been organized, receiving interests of over 11,000 employees. However, the Company remains steadfast in developing a plan to process and consolidate activity performance in a more efficient way, as well as preparing to establish a committee to drive the aforementioned activity.

Additional information is available on the Company's website in the section of **"Lifelong Learning – Employee Engagement."**

More details on
Lifelong Learning –
Employee Engagement





Employee Well-Being, Health and Safety

CPF's business operations can produce direct impact on well-being, health and safety of employees. Without an appropriate, comprehensive and efficient management system that complies with international laws and standards, the physical and mental health of employees and operators may be compromised, leading to decreased operational efficiency and destroying the trust of stakeholders who expect the organisation to operate responsibly. Additionally, caring for the well-being, health and safety of employees has become a priority amid the COVID-19 pandemic where employees may face exhaustion and accumulated stress. The prevention of the disease spreading from the workplace to employees' families is also another crucial issue.

Recognizing the impact of business operations on the health and safety of employees, CPF thus attaches importance to fostering safety awareness among all employees and implementing CPF policy and standard on safety, health, environment and energy (SHE&En) which are in accordance with international standards. CPF also strictly complies with national and international laws, requirements and public health guidelines to manage the COVID-19 pandemic in an effort build confidence for employees, contractors, their families and relevant stakeholders.

Management Approach

- **Establishment of Occupational Health and Safety Policies and Management Systems in accordance with International Standards**, such as ISO14001:2015, ISO45001:2018, and ISO50001:2018 as well as other national and international requirements, covering all employees and contractors.
- **Appointment of the Safety Committee** with representatives from the management and employees to consider work plans, listen to suggestions and improve risk control measures.
- **Management of Occupational Risks** by establishing operational standards for high-risk tasks to prevent potential hazards for employees, communities and relevant stakeholders.
- **Employee capacity building in Occupational Health and Safety** to raise awareness, understanding and knowledge of employees and contractors about the occupational hazard prevention and control.
- **Promoting Employee Health and Well-Being** by monitoring, preventing and controlling hazards that may affect the health and safe working environment of employees.

Implementation

In 2022, CPF conducted trainings and projects to enhance the well-being of employees, such as :

OCCUPATIONAL HEALTH AND SAFETY TRAINING



CPF has prepared an occupational health and safety training matrix that is necessary for the job positions of employees and contractors. It also covers high-risk activities according to the nature of each task. The training matrix allows employees to improve their knowledge, capacities and understanding of potential hazards and causes of accidents. Furthermore, the trainings permit participants to understand hazard prevention and control which will enable them to carry out their assigned duties safely. Training courses that have been held include new employee orientation, building Safety Health Environment and Energy (SHE&En) culture, Five Common Hazards, etc.

EMPLOYEE WELL-BEING AT WORK AND AT HOME PROGRAM



CPF attaches priority to the physical and mental health of all employees. Therefore, the Company has arranged activities to boost their immunity and happiness as well as promote healthy habits, such as “Massage, Hang on and Smile” to reduce symptoms of office syndrome, “Health Talk” to recommend ways to appropriately manage stress and care for the mind, as well as providing practical guidelines and assistance to employees during situations, such as COVID-19 and floods, etc.

CPF’s strict compliance with international laws and standards has contributed to the accomplishment of key corporate targets (Thailand Operations), namely :

Target

In 2022, the number of work - related fatalities among employees and contractors is **0 person.**

In 2022, the Lost Time Injury Frequency Rate (LTIFR) of employees is not exceed **0.24 cases** per 200,000 man - hour, and of contractors is **0 case** per 200,000 man-hour

2022 Performance

The number of work-related fatalities among employees and contractors were **3 and 0 Persons,** respectively.

Lost Time Injury Frequency Rate (LTIFR) of employees and contractors were at **1.00 and 0.00 Case** per 200,000 man - hours, respectively.

The major causes of work-related injuries among employees and contractors were 1. Being cut or stabbed by sharp object, 2. Crashed or collided with object, 3. Falling or slipping, 4. Being pinched or pulled by an object, and 5. Being injured by falling object. Despite CPF’s efforts to prevent accidents during operations, 8 employees were involved in such accidents, which took them more than 180 days to fully recover physically. As a means of preventing future recurrences, CPF has expedited investigations into the root causes of the incidents and formulated corrective solutions and measures. For example :

- Checking the safety of equipment and operating areas before always starting work.
- Strictly enforcing regulations on personal protective gear according to the risks of each work type.
- Modifying equipment to prevent danger from being pinched or pulled by machinery and being cut or stabbed by sharp objects.
- Increasing frequency of employee and contractor trainings on machinery operation, etc.



Water Stewardship



Water Stewardship



Roi Phet shrimp farm,
Chantaburi Province



Target

30%

of water withdrawal per production unit to be reduced by 2025, compared to the base year 2015 (Thailand Operations)

Support all tier – 1 suppliers identified as high water impact to develop water management plans by

2030

2022 Performance

53%

water withdrawal per production unit was reduced (Target achieved at 12.6 m³ per ton of products, beyond 18.9 m³ per ton of products target)

In progress to support all high water impact tier-1 suppliers to develop water management plans

Water Stewardship

Water stewardship is a sustainability issue of crucial importance to CPF. As an integrated agro-industrial and food business, the Company uses water both directly and indirectly. Direct water use includes land and aquatic animal farming, steam boilers in industrial systems, cooling systems, cleaning of premises, machinery and equipment, etc. Indirect water use includes forage cultivation in upstream activities, animal farming by business partners, etc. Therefore, managing water to prevent impacts on surrounding communities and societies in the watersheds is integral to CPF's business operations. Meanwhile, water shortage or poor-quality water can decrease farmers' incomes and deteriorate their quality of life, especially in situations of floods or droughts which can render certain stakeholder groups more vulnerable.

For this reason, CPF is committed to implementing a holistic approach in water management by increasing internal water efficiency, assessing water-related risks in the establishments, and defining adaptive measures to cope with problems. In tandem, CPF collaborates with suppliers on risk management to reinforce business continuity and support access to quality water sources for the local people. The Company also ensures access rights to clean water for consumption by all groups and stresses on infrastructure risk management upon selecting the locations of CPF's establishments.



Management Approach

- **Managing Resources according to International Standards** and adopting the principles of Circular Economy to optimise resource efficiency.
- **Establishing Water Management Guidelines** under the CPF Safety, Health, Environment, and Energy (SHE&En) Standard, as well as defining water consumption targets in annual SHE&En and long-term business's key performance indicators (KPIs).
- **Complying with Water Management Principles** to establish standards to regulate water usage in internal production processes.
- **Planning Water Scarcity Risk Mitigation** by collecting data on water usage, assessing the water situation, planning to cope with water management risks in the Feed, Farming and Processing, and Food businesses.
- **Effluent Quality Inspection** by an accredited agency, taking into account the vulnerability of external water sources, such as aquatic animal nursery or water sources that are shared with communities, prior to discharging effluent to prevent potential impacts, demonstrate CPF's sense of social responsibility and reduce environmental impacts on the communities surrounding our establishments.
- **Improving Water Sources** to grant communities access to quality water sources and comply with national and local legal requirements while taking part in the conservation of natural resources and efficient resource management.



Implementation

Water Management under the CPF SHE&En Standard

Internal Water Management



- Collecting data on water sources used in the Company.
- Collecting data on water consumption volume using the water footprint indicator to identify and collect data on water consumption throughout the production chain or other activities relating to the organisation as well as conducting the water balance analysis to enhance water efficiency.
- Assessing and forecasting the organisation's water usage trends, identifying opportunities to reduce water consumption or reserve water to optimize efficiency in water consumption planning.
- Establishing a corporate water consumption plan to reduce water consumption and increase water efficiency across the supply chain.

External Water Discharge



- Formulating a mitigation plan to reduce the impacts of external water discharge through measures such as wastewater reduction according to the 3Rs principles of "Reducing, Reusing, and Recycling".
- Inspecting and monitoring the quality of treated water prior to discharging to external sources as stipulated by laws and the CPF SHE&En Standard, determining the amount of wastewater to be discharged as well as inspecting and monitoring the quality of external water sources.
- Identifying sensitive receptors from water intake, including water sources that may be affected by discharge, such as water conservation sources, controlled water sources or the community's key water sources.
- Conducting baseline survey of sensitive receptors.

Managing Water with Communities to Prevent Water Shortage

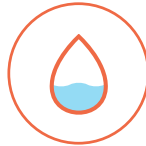


- Defining the boundaries of a community.
- Gathering data for water risk assessments, such as water sources within the boundaries, amount of water from each source, amount of water available in the water source, number of people using water from the source, etc.
- Assessing water risks according to the requirements of assessment tools, such as the Global Water Tool developed by the World Business Council for Sustainable Development (WBCSD), as well as assessing actual water shortage situations on an annual basis, etc.
- Identifying communities using water from sources that have been evaluated as being in the early stages of water shortage as well as conducting onsite surveys to gain ideas and views on the community's water usage.
- Planning projects to reduce water shortage risks with relevant communities, such as reducing water consumption, reserving water for future use, restoring water sources, or raising the community's awareness of water conservation, etc. The projects will be based on the results of risk assessments combined with community opinion surveys.
- Defining support goals for all business partners identified as high water impact to enable the development of a water management plan.
- Examining other data, such as water quality, to set mitigation plans.



Water Risk Assessment

CPF attaches importance to corporate water management. An annual water risk assessment is performed by collecting data on the organisation’s water withdrawal combined with the implementation of the Aqeduct Water Risk Atlas tool, developed by the World Resources Institute (WRI), to assess the baseline water stress of operating areas. This has enabled the organization to prioritise water management. Based on the assessment results, baseline water stress areas can be classified into three levels as follows :



Low and Low-Moderate Baseline Water Stress Areas

Monitoring

1. Preparing water reserves.
2. Continuously increasing water efficiency according to 3Rs principles.
3. Continuously monitoring the amount of water withdrawn.

Moderate-High Baseline Water Stress Areas

Priority

1. Setting targets for short-term and long-term water withdrawals for each unit of production as well as continuing to follow up on results.
2. Preparing water reserves.
3. Continuously increasing water efficiency according to 3Rs principles.
4. Conducting opinion surveys to gather feedback from water users and surrounding communities.

High and Extremely High Baseline Water Stress Areas

High Priority

1. Setting targets for short-term and long-term water withdrawals for each unit of production as well as continuing to follow up on results.
2. Preparing water reserves and reserve water for future use.
3. Continuously increasing water efficiency according to 3Rs principles.
4. Evaluating impacts and setting a plan to reduce the impacts of effluent released from the unit to public water sources.
5. Preparing a Business Continuity Plan (BCP) to withstand severe water shortage crisis.
6. Conducting opinion surveys to gather feedback from water users and surrounding communities.



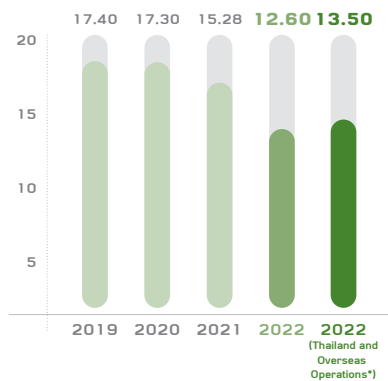
Water Circulation

As a result of the 2020 drought situation, CPF is determined to use water efficiently and reduce dependence on water from external sources in order to cope with potential future drought risks. Accordingly, the Company has promoted the implementation of measures to enhance water efficiency according to the 3Rs Principles, which consists of Reduce, Recycle, and Reuse. CPF has also collected data on the Company’s water withdrawal and total water consumption as well as

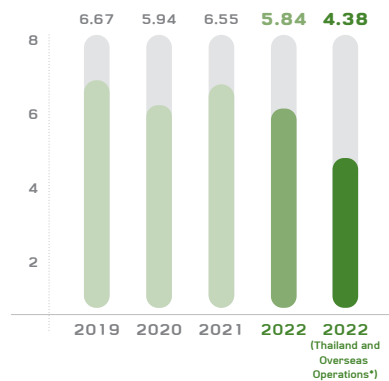
the amount of water withdrawn from water-stressed areas based on internal procedures that are in line with the CPF SHE&En Standard to monitor the Company’s water overall consumption. In 2022, CPF has utilized 24% recycled and reused water compared to the total water withdrawal, enabled by technological investments for water management as well as management measures to reduce dependence on external water supply.

2022 Performance

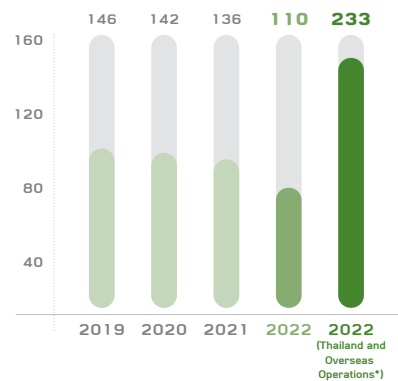
Total water withdrawal per production unit
(m³ per ton of products)



Fresh water withdrawal per production unit
(m³ per ton of products)

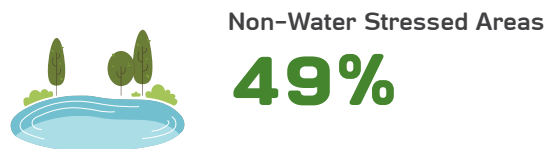


Total water withdrawal
(million m³)



* Overseas Operations include seven countries; Vietnam, Cambodia, India, The Philippines, Türkiye, Malaysia and Laos.

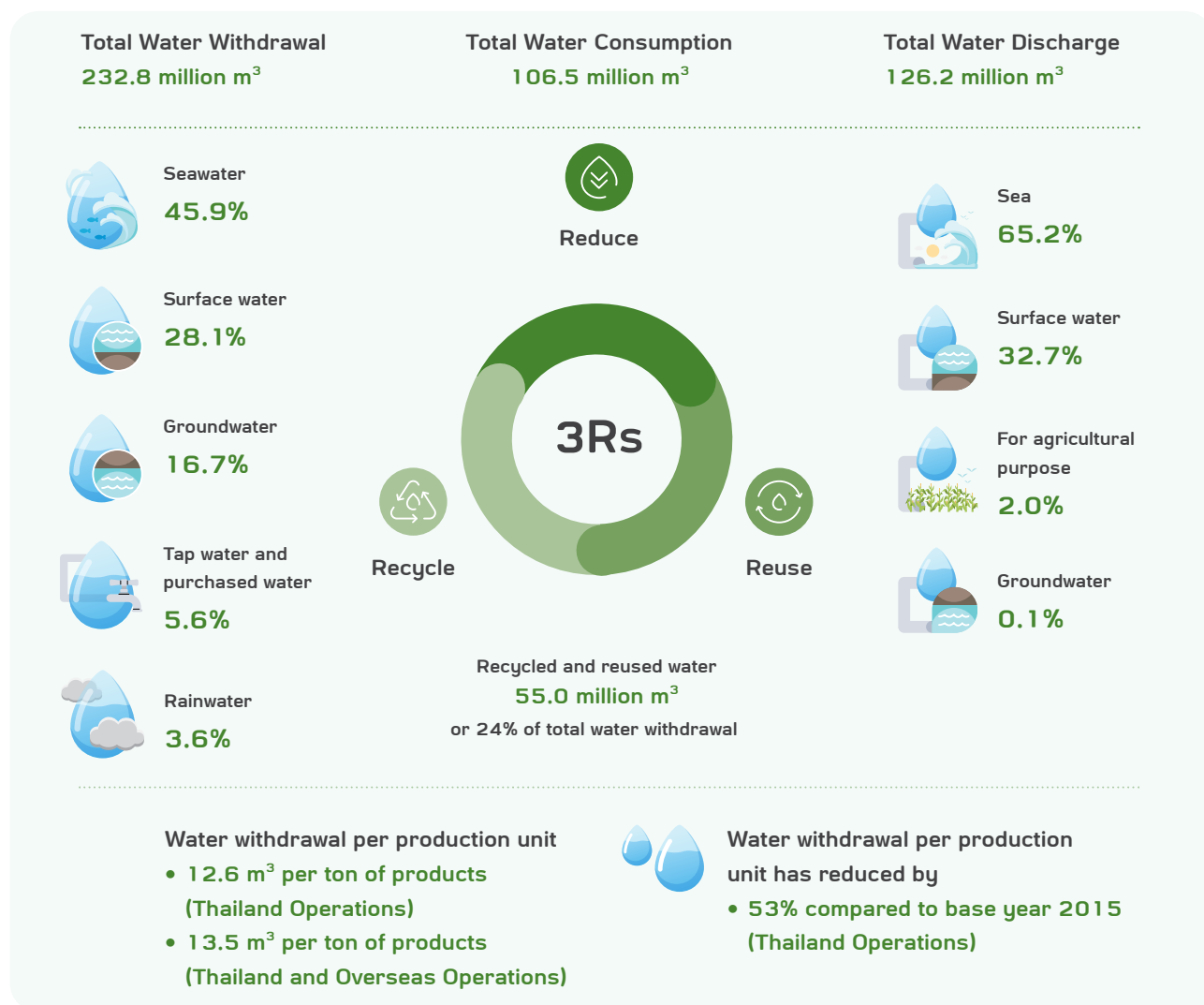
Proportion of Freshwater Withdrawal by Area



*Remark : CPF has classified areas with high and extremely high water shortage risks as water-stressed areas as the amount of water withdrawal is higher than 40% of the water available in the area, in line with GRI Standards.



Key Performance in 2022 (Thailand and Overseas Operations*)



* Overseas Operations include seven countries; Vietnam, Cambodia, India, the Philippines, Türkiye, Malaysia and Laos.

Supplier Engagement

Besides supporting resource efficiency within our own organisation, CPF also encourages suppliers to operate eco-friendly businesses and comply with national and local legal requirements as well as take part in the efficient conservation and management of water resources as prescribed in CPF's Sustainable Sourcing Policy and Supplier Guiding Principle. Furthermore, in 2022, CPF conducted a review of the supplier assessment form by adding criteria on water management, climate change management and anti-deforestation as an incentive to drive suppliers. With stakeholders and suppliers acknowledging the significance of water management,

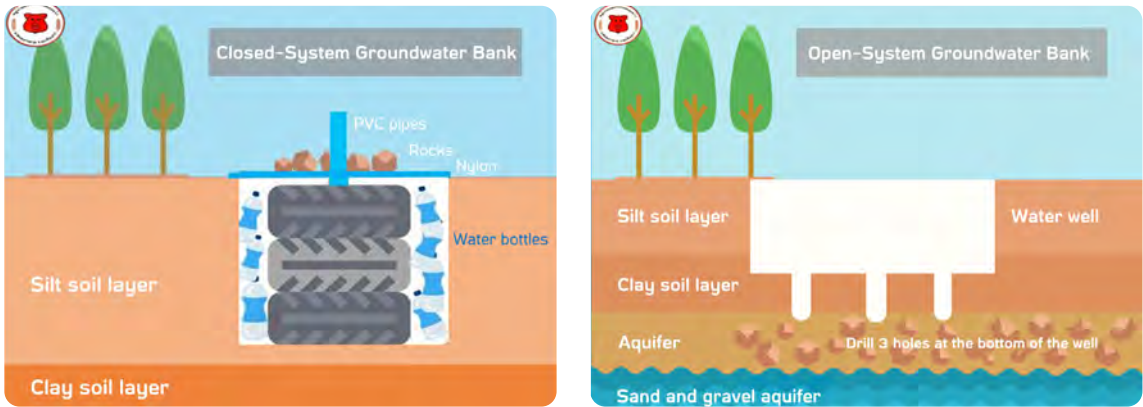
CPF is in the progress of implementing the goal to support all suppliers that have been identified as high impact to water, aiming to develop a water management plan by 2030. The plan covers policy formulation, internal awareness raising, optimisation of water efficiency and performance monitoring according to goals. These actions will create sustainability in water management across the supply chain, reduce risks in the business operations of CPF and suppliers, and lower potential impacts on surrounding communities, especially during current and future drought situations.

Access to Water Sources for Community

Water is a vital resource for everyone’s livelihood. CPF recognizes and places importance on the community’s access to quality water sources; therefore, the Company has conducted projects and activities in collaboration with government agencies, private entities, communities and other relevant stakeholders through a participatory process to listen to and discover concerns relating to water. CPF has also monitored water consumption situation, water volume and water quality in community sources. According to surveys, the communities need quality and suitable water sources for utilisation and living. They also call for the conservation, restoration and preservation of upstream forest areas and water sources in order to maintain the biodiversity of the ecosystem. The communities also require support for projects to enable community access to water by building a water reserve for the drought season. Accordingly, CPF has developed projects relating to water management for the community, such as Groundwater Bank Project, etc.

Groundwater Bank Project

The Farming Village at Nong Wa, Phanom Sarakham district, Chacheongsao province had been facing the problem of drought and water shortage every year, thus impacting local swine and crop farmers in terms of decreased income from agricultural and livestock yields. Furthermore, they had been burdened with higher expenses from external water purchase for agricultural and livestock farming. In this regard, CPF joined forces with government agencies, Phanom Sarakham district, financial institutions (i.e., Bangkok Bank) and farmers to set up the Farming Village at Nong Wa on 1,250 rai (200 hectares) of land to execute the **“Groundwater Bank Project”**. The project features the storage of surface water underground and the connection of natural water routes using two methods, namely closed system and open system, based on the principles of the “Nites Sasana Khun Water Institute”, to resolve the problem of water shortage during the drought season and water runoff during the rainy season. Groundwater banks also help to reduce flooding of agricultural areas and households. Having been in operation since 2019, the Groundwater Bank Project has contributed to the alleviation of water shortage problems and substituted an external water purchase volume of over 50,000 m³ which is equivalent to a cost-saving of 1 million Baht per year.



(Source : Loei Provincial Public Relations, Public Relations Department)



Local pond prior to implementation of the Groundwater Bank Project



Local pond after implementation of the Groundwater Bank Project



Climate Action



Climate Action



Waste Management



Circular Economy and Packaging



Floating solar panel at a sausage production plant in Chokchai District, Nakhon Ratchasima Province



Target

Phase out the use of coal as source of energy in all production processes for Thailand Operations by

2022

Increase the proportion of renewable energy use to

50%

by 2030 and to 100% by 2050 (Thailand Operations)

Absorb

200,000 tons

of carbon dioxide accumulatively from conservation and reforestation by 2030 (Thailand Operations)

2022 Performance

100%

Coal-free in Thailand Operations (Achieved in December 2022)

30%

renewable energy use

26,502 tons

of carbon dioxide absorbed

Climate Action

(Thailand and Overseas Operations*)

Current economic growth and social activity have been major cause of massive greenhouse gas emission. As much as 23% of global greenhouse gas emissions come from agriculture¹ producing food to feed the world population. On the other hand, food production systems are affected by climate change, such as sea level rise, floods and droughts, etc., directly affecting food security. These have diminished viable agricultural areas to shrink and the production of agricultural crops to decrease. In addition, the 27th Meeting of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP) also pushed forward the goal of controlling average temperature not to exceed 1.5 degrees Celsius, which affects government policies and drives the private sector to transition to a low-carbon society.

CPF, as a leading integrated agro-industrial and food business, is ready to take part in taking responsibility for climate management through goal setting and proactive management measures both in the long term and in the short term to transition to a low-carbon business with high resilience to current and future situations, striving to create a sustainable food production system globally.

Target	2022 Performance
To set Net-Zero target in alignment with science-based target by 2030	In progress
Reduce direct and indirect GHG emissions per production unit by 25% in 2025 compared to the base year 2015 (Thailand Operations)	23%

Aiming to become a Net-Zero organization by 2050

¹ Intergovernmental Panel on Climate Change (IPCC), Special Report on Climate Change and Land, 2019.

Remark : *Overseas Operations cover the operations in Laos, Vietnam, Cambodia, Malaysia, the Philippines, India, and Türkiye.



Management Approach

- **Announcing a commitment to set a goal to become a Net-Zero organization by 2050 in accordance with the Science-Based Targets initiative (SBTi)** to limit global temperature rise to 1.5 degrees Celsius.
- **Analysis and assessment of risks, opportunities and impacts from business operations on climate change** to establish management measures to cope with risks and capture opportunities including using innovation and excellent technology to achieve Net-Zero
- **Implementing the CPF Safety, Health, Environment, and Energy Standard (CPF SHE&En Standard),** including auditing according to SHE&En standards and monitoring performance according to indicators with the SHE KPIs System.
- **Disclosing climate change management information in accordance with the Task Force on Climate-related Financial Disclosure (TCFD)** guidelines to inform investors and relevant stakeholders of CPF's capacities in managing climate-related risks and opportunities.
- **Engaging with stakeholders to reduce greenhouse gas emissions throughout the value chain** through the announcement of Sustainable Sourcing Policy and Supplier Guiding Principle to encourage suppliers on greenhouse gas reduction. Additionally, CPF engaged with customers, for instance, through Project Gigaton which boosted transparency in carbon emissions in the supply chain. These contributed to higher engagement, trust and cooperation with stakeholders in greenhouse gas reduction throughout the value chain.

CPF TCFD Report
is available at



Implementation

CPF's guidelines for becoming a Net-Zero organization

PART I DECARBONIZATION

- **Increasing the proportion of renewable energy consumption** in line with the goal of achieving zero coal consumption by 2022 and Net-Zero greenhouse gas emissions by 2050. CPF recognizes the importance of increasing the proportion of electricity and heat consumption from renewable energy, especially biomass energy and biogas which are by-products from the production process, to promote circular economy. In addition, the electricity generation from solar energy is a critical part in increasing the proportion of renewable energy.

In 2022



Biomass has substituted over 2.31 PJ of non-renewable energy sources, **avoiding over 180 thousand tCO₂e of GHG emissions.**



Biogas has substituted over 68.4 million kWh of grid electricity consumption, **avoiding over 440 thousand tCO₂e of GHG emissions.**



In 2022, CPF has installed 20 MW solar panels which will **contribute to over 13 thousand tCO₂e emission reduction annually with over 20 million Baht cost-saving.**

- **Efficiency improvement in production process** both in terms of equipment & machinery, and management, such as selecting or improving machineries to achieve higher energy savings as well as implementing management measures to minimize waste generation, resulting in emissions reduction in the waste disposal process.

In 2022



CPF invested over 29 million Baht in energy efficiency projects, resulting in 31 MJ heat and **electricity saving per year, 2,051 tCO₂e emission reduction per year and 17 million Baht cost saving annually.**

- **Applying AI & IoT technology in the production system** for more efficient production planning, leading to the reduction of unnecessary steps, reducing production duration and increasing energy efficiency.
- **Developing low-carbon** products to meet the needs of environmentally conscious consumers nowadays. CPF seeks to reduce greenhouse gas emissions associated with our products from upstream and our production process and certifies our products by independent agencies such as Carbon Footprint for Products label and Carbon Footprint Reduction label.

In 2022



CPF's low-carbon products have **reduced 2.4 million tCO₂e and contributed 37% of product revenue.**

- **Comprehensive low-carbon design** – addresses the design of plants and farms to increase renewable energy use and enhance resources efficiency in operations while reducing emissions from wastes and effluents.

PART II CARBON REMOVAL

- **Support to end deforestation** through announcing the goal to fight against zero deforestation by 2030, covering CPF activities as well as suppliers who source agricultural raw materials for CPF, including, corn, fishmeal, palm oil, soybean meal and cassava to maintain biodiversity and reduce the destruction of carbon accumulated in the soil and releasing greenhouse gas emissions into the atmosphere. Additional information is available in Biodiversity and Ecosystems

- **Conservation, protection and restoration of forests** CPF aims to remove more than 200,000 tons of CO₂, covering an area of 20,000 rai by 2030 through supporting the restoration and conservation of forests and mangrove forests, increasing green space by planting trees in factory and farm areas, including the cooperation in planting forests in the city with the Governor of Bangkok in the project **“Forest in the City”**



5,413,105 trees planted in restoration projects **across 9 countries** have a potential to sequestrate **39,434 tons CO₂ each year.**

- **Research on Carbon Capture, Utilization and Storage (CCUS)** technology related to agriculture and food production to support the achievement of the Net-Zero goal.

Remark :

GHG reduction covers both scope 1 and 2, which include CO₂ only. The GHG reduction against baseline refers to consumption of electricity from power grid, fossil fuels for heat and electricity generation with reference from the Voluntary Greenhouse Gas Reduction Methodology (T-VER) T-VER-METH-AE-01, T-VER-METH-AE-03 and energy efficiency projects. Additionally, CO₂ sequestration is calculated with reference from the Manual of Plant Potential for Promotion under the Clean Development Mechanism Project in the Forest Sector by TGO and Faculty of Forestry, Kasetsart University, 2011.



Results from Conservation, Protection and Restoration of Forests (Terrestrial and Mangrove Forests) and Planting Trees on Green Spaces in the Workplace.

<p>Türkiye 2,676 trees planted 25 tons CO₂ removal per year</p>	<p>Russia 1,182,000 trees planted 11,229 tons CO₂ removal per year</p>	<p>Vietnam 470,413 trees planted 4,469 tons CO₂ removal per year</p>
<p>The Philippines 149,751 trees planted 1,423 tons CO₂ removal per year</p>	<p>India 18,341 trees planted 174 tons CO₂ removal per year</p>	<p>Malaysia 353,992 trees planted 3,363 tons CO₂ removal per year</p>
<p>Laos 23,744 trees planted 226 tons CO₂ removal per year</p>	<p>Thailand 2,876,490 trees planted 15,110 tons CO₂ removal per year</p>	<p>Cambodia 5,450 trees planted 52 tons CO₂ removal per year</p>

Total number of trees planted to restore **5,413,105** trees,
 which can absorb **39,434** tons of CO₂ per year

Remark : CO₂ removal is calculated by multiplying the number of trees with the carbon stock of slow-growing native trees and mangroves. According to the Handbook on the Potential of Plant Species for Promotion under the Forest Sector Clean Development Mechanism Program, by Thailand Greenhouse Gas Management Organization (Public Organization)(TGO) and the Faculty of Forestry, Kasetsart University 2011

Support to reduce greenhouse gas emissions towards Net-Zero

Supporting greenhouse gas emission reduction mechanisms

CPF participates in Thailand’s Voluntary Emission Reduction Program (T-VER) by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), which is a domestic carbon credit trading market that helps create economic incentives for greenhouse gas reduction projects. And organizations can buy carbon credits to offset greenhouse gas emissions according to the target. In 2022, CPF has made the following progress in performance.



The amount of greenhouse gases expected to be reduced by the registered projects totals **61,820** tons of CO₂ equivalent per year.

Total amount of greenhouse gases certified carbon credits **744** tons CO₂ equivalent.

The Development of Low Carbon Products

CPF prioritizes the development of low-carbon products or green products (CPF Green Revenue), defined by products that reduce environmental impact. Since 2009, CPF has continuously conducted a product carbon footprint assessment according to the product life cycle assessment principles, ISO 14040, ISO 14044 and ISO14067 standards and certified our products with low carbon products labels with TGO.



- There are currently **818 products** that have a carbon footprint assessment.
- **56 products** are classified as low-carbon products that have received Carbon Footprint Reduction Label from the Greenhouse Gas Management Organization (TGO).

<p>Target 2030 (Thailand Operations)</p> <p>40%</p> <p>of revenues come from green products</p>	<p>2022</p> <p>37%</p> <p>or 84,641 million baht of revenue comes from green products</p>
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Example of outstanding low-carbon products certified with TGO include :



Chicken eggs
30% GHG emissions below average *



Fresh chicken meat
50% GHG emissions below average*



Fresh pork
13% GHG emissions below average*

In 2022,
 all low-carbon products reduce GHG emissions
 by over **2,337,566 tons CO₂** equivalent.

* Emission factor is referenced from TGO.
 Remark : The amount of greenhouse gas (GHG) emissions reduction from low-carbon products is calculated from the weight of products receiving Carbon Footprint of Products (CFP) label Carbon Footprint Reduction (CFR) label from Thailand Greenhouse Gas Management Organization (TGO), multiplied with GHG reduction of each product, which is based on a comparison with Thailand’s average product carbon footprint or with the product carbon footprint in base year.



Outstanding Climate-related Projects in 2022

Phasing out coal in Thailand Operations

CPF announced its achievement on Coal Free 2022 Target, abolishing all coal consumption in production process in Thailand by 2022 which has received an external verification by an independent verifier - LRQA (Thailand) Ltd. This can be considered as a successful starting point of our transition towards becoming a Net-Zero organization worldwide by 2050.

Learn more



Assurance Statement



Waste to Energy Prototype Project



CPF operates a prototype project to change waste to renewable energy to be able to convert waste from wastewater treatment (anaerobic) into fertilizer and biogas (biogas) for electricity generation which can generate additional income for the business, reduce costs, reduce the risk of complaints and environmentally friendly in line with circular economy principles. In the past, waste such as sludge, wastewater, and grease (sludge waste) were managed by landfills, which have extra cost both for transportation and landfill, as well as negatively affected the environment. The results of operations in 2022 are as follows :



Reduce transportation costs and landfill, worth **2.45 million Baht.**



Waste can be converted into Biogas which can be used as a replacement for electricity equivalent to **2.2 million Baht.**



Waste can be turned into fertilizer to be used in the factory as well as sell for extra income. The value is **120,000 Baht.**



CPF could reduce GHG scope 1 emissions for over **3,250 tons CO₂e per year**

In 2023, CPF plans to expand waste to renewable energy projects in 55 potential factories across Thailand. This is expected to save costs and further reduce greenhouse gas emissions.

Solar Project



To achieve net zero greenhouse gas emissions (Net-Zero), to save cost on energy, and to reflect the organization’s commitment to sustainability, CPF established a solar power project which is the installation of solar cells to generate electricity in the area of the animal feed business and farms, food processing business across Thailand. As these are Power Purchase Agreement (PPA) projects, no investment costs are applied to CPF.

The operating results in 2022 were as follows :

Phase 1	Phase 2
Power generation has increased by 13.8 MW.	Power generation has increased by 3.5 MW.
Reduce the cost of electricity about 14.4 million Baht/Year	Reduce electricity bill about 3.9 million Baht/year
Reduce CO ₂ emissions in Scope 2 approximately 8,600 tons CO₂e per year	Reduce CO ₂ emissions in Scope 2 approximately 2,450 tons CO₂e per year

In the future, CPF has the following plans and goals for 2025 :

Phase 3	Phase 4	Others
52 sites	67 sites	5 sites
Capacity 23 MW	Capacity 20 MW	Capacity 3.2 MW

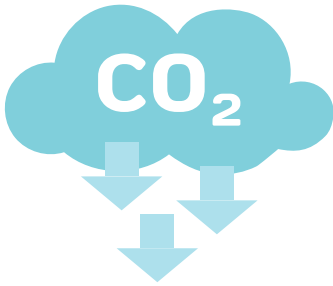


Energy Performance and Greenhouse Gas Management in 2022 (Thailand Operations)

Proportion of renewable energy

Reduce greenhouse gas emissions by more than

600 thousand tons CO₂ equivalent per year

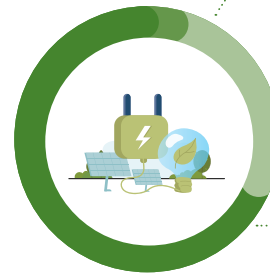


The share of renewable energy consumption is **30% of total energy consumption (11.17 petajoules)**



Solar energy
2%
(0.07 petajoules)

Installed capacity from solar panels
20 megawatts



Biogas energy
29%
(0.96 petajoules)

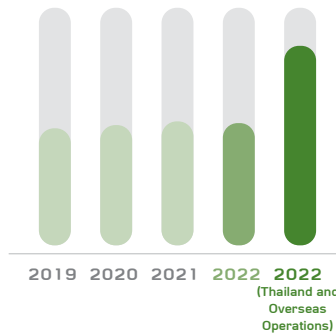


Biomass energy
69%
(2.31 petajoules)

Energy Consumption of CPF Business

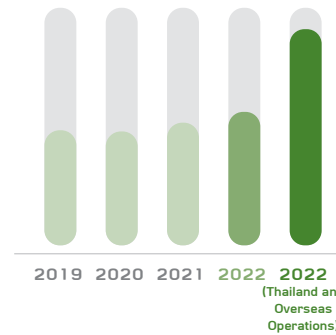
Grid electricity purchased
(petajoules)

4.74 4.87 5.02 **4.95 8.08**



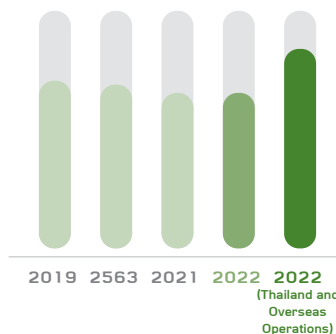
Renewable energy
(petajoules)

2.88 2.85 3.07 **3.34 5.41**



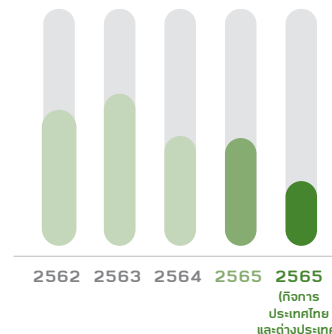
Non-renewable energy
(petajoules)

3.43 3.35 3.18 **3.18 4.08**



Total energy consumption per production unit
(gigajoules per ton of products)

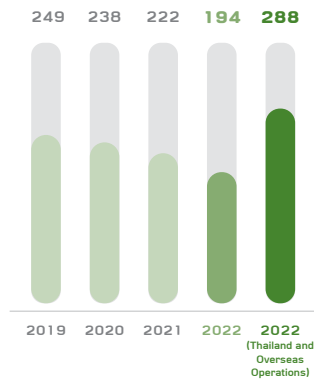
1.32 1.34 1.27 **1.27 1.02**



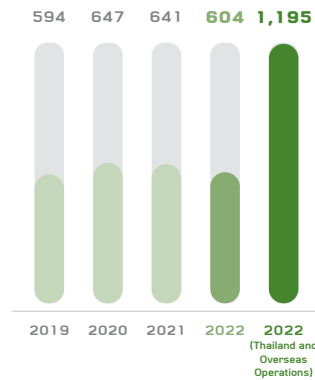
* Overseas Operations include seven countries; Vietnam, Cambodia, India, the Philippines, Türkiye, Malaysia and Laos.

Direct and Indirect Greenhouse Gas Emissions (Scope 1 and 2)¹

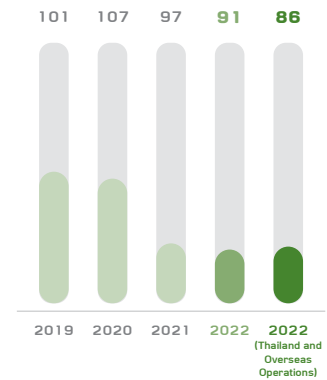
GHG emissions Scope 1
(thousand tons of CO₂e)



GHG emissions Scope 2
(thousand tons of CO₂e)



Total greenhouse gases per ton of production
(kilograms of CO₂e per ton of products)



Remark :

¹ Greenhouse gases covered are CO₂, CH₄, and N₂O.

* Overseas Operations include seven countries; Vietnam, Cambodia, India, the Philippines, Türkiye, Malaysia and Laos.

Direct and Indirect Greenhouse Gas Emissions Throughout the Supply Chain¹

Unit : thousand tons of CO₂e

UPSTREAM ACTIVITIES	ACTIVITIES INSIDE CPF		DOWNSTREAM ACTIVITIES
Scope 3	Scope 1	Scope 2	Scope 3
2,619 (50.2%)	194 (3.7%)	606 (11.6%)	1,793 (34.4%)
Purchased goods and services 1,942 (37.3%)	Production processes	Purchased electricity	Downstream transportation and distribution 11 (0.2%)
Upstream transportation and distribution 138 (2.6%)	Company's vehicles		Use of sold products 1,032 (19.8%)
Capital goods 132 (2.5%)			End-of-life treatment of sold products 90 (1.7%)
Fuel-and energy-related activities 136 (2.6%)			Investment 660 (12.7%)
Waste generated in operations 42 (0.8%)			
Employee commuting 229 (4.4%)			

Remark : ¹ Greenhouse gases covered are CO₂, CH₄ and N₂O.



2030 Target

Zero

food waste from operations**

Zero

waste to landfill and incineration

100%

of plastic packaging for food products to be recyclable or reusable for compostable

2022 Performance

2,143 tons

food waste from operations**
(Thailand Operations)

17.2 thousand tons

waste to landfill and incineration
(Thailand Operations)

38.8 thousand tons

(Thailand and Overseas Operations)*

99.9%

of plastic packaging for food products to be recyclable or reusable for compostable
(Thailand Operations)

Waste Management (Thailand and Overseas Operations*)

Population and economic growth bring higher demand for resources both in food production and related packaging which in the traditional linear economy produces waste and pollutes the environment, for example, the problem of plastic waste, unpleasant smell from organic waste, lack of landfill space, the leakage of waste into nature. These issues not only affect ecosystem integrity, lead to greenhouse gas emissions, undermine health and wellbeing of communities but also reflect the inefficient use of resources. One of the solutions is to shift the path towards a circular economy, which focuses on designing out waste and pollution, keeping products and materials in use at maximum value, and regenerating natural systems.

CPF places importance on waste management throughout the product life cycle. Therefore, it is committed to transitioning towards circular economy by emphasizing on waste management within and outside the organization so that it can be recycled in the production or other processes with value added which generate income for stakeholders. This is driven by our Waste to Value Working Group in line with CPF Safety, Health, Environment and Energy Management Standard. CPF collaborates with alliance network and stakeholders in various sectors throughout the value chain. This includes continuous communications with suppliers on driving Green Business governed by the Sustainable Sourcing Policy and Supplier Guiding Principle to continuously expand our positive impact on waste management.

Management Approach

- **Establishing policies and guidelines** : establish and drive Food Loss and Food Waste Policies and Sustainable Packaging Policy and Principle to achieve the goals set including follow up and review the performance, and continuously improve operations.

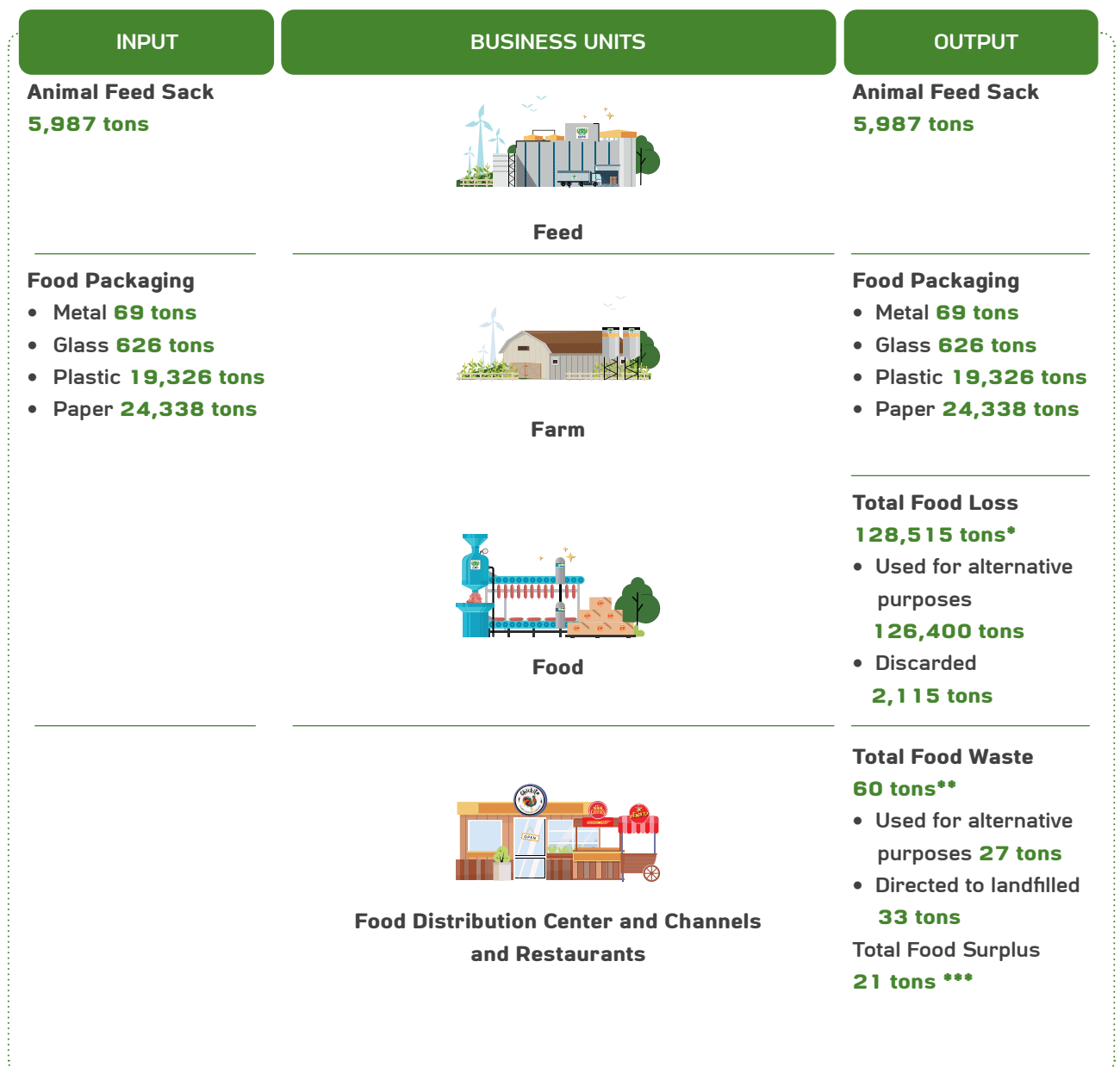
Remarks :

* Overseas Operations cover the operations in Laos, Vietnam, Cambodia, Malaysia, the Philippines, India, and Türkiye.

** Food waste from operations includes food loss and food waste. Currently, the data on food waste is collected from a model project in Thailand Operations under Chester's and Food World business unit over five locations.

- **Applying circular economy principles throughout the value chain** : committed to improving food loss and food waste management and packaging usage in a circular and regenerative way that maximizes the efficiency and value of resource use.
- **Creating awareness** : communicate and raise awareness on food waste management and post-consumer packaging with an aim to promote behavioral changes among employees and consumers
- **Fostering network of collaborations** : join forces with government agencies, businesses, NGOs and other stakeholders to improve post-consumer food waste management and packaging

Implementation



Remarks : Thailand Operations

* Food Loss refers to inedible parts that has either been used for alternative purposes apart from human consumption or discarded. Currently, the scope of reporting covers chicken meat, eggs, shrimp and processed shrimp.

** Food waste data was collected from a Food Waste model project across five locations; Chester's restaurant at CP Tower Branch and Imperial Samrong Branch, Food World food service at Rama 9 Hospital Branch, Tropical Diseases Hospital Branch and UN ESCAP Branch.

*** Food Surplus data was collected from a Food Surplus model project with CPF Trading at Bang Nam Prio Distribution Center, Chachoengsao Province, which has been donated to communities through Circular Meal Project.



Circular Economy Management

CPF adheres to the principles of the circular economy as a guideline for waste management within the production process to maximize resource efficiency. In doing so, CPF strives to reduce the amount of waste and retrieve waste back for other uses, both in our business operation and in conjunction with the society’s benefit. Additionally, the remaining waste will be disposed by an external party through legally acceptable methods.

In 2022, the Company organized a CPF Centralized Circular Hub training for employees in collaboration with GEPP Sa-Ard to introduce an online platform which served as a central database for tracking and evaluating continuous improvement approaches.

Performance 2022 (Thailand Operations)



Waste utilization

96%

(452.3 thousand tons)



Waste disposed by landfill or incineration by authorized waste disposal agencies

4%

(18.2 thousand tons)

HIGHLIGHT PROJECTS IN WASTE TO VALUE INCLUDE

Fertilizer or soil amendment

- From manure, chicken farm flooring materials, wastewater treatment sludge, eggshell, organic waste, ash from boiler to become fertilizer or soil amendment for local community use.

Animal feeds

- From chicken carcasses, feathers and offal to recycled material in production process.

Waste to energy

Wastes are brought back to power the production process through;

- From manure to biogas
- From vegetable oil to biodiesel
- From organic waste to heat

Materials recycling

- Developed and launched packaging made from 100% recycled paper for CP Cage-Free eggs.
- Developed a new packaging box reducing paper usage by more than 40%.
- Co-developed and designed two-layer plastic film technology using mono-plastic material, making it 100% recyclable.
- Worked with GEPP Sa-Ard to record numbers and take back plastic food packaging given to vulnerable communities through the 100% Circular Meal program for further recycling.



2025 Target

Reduce the use of paper and plastic in packaging by

1,000 tons

(Thailand Operations)

2022 Performance

Reduced the use of paper and plastic in packaging by

1,887 tons

(Thailand Operations)

Circular Economy and Packaging

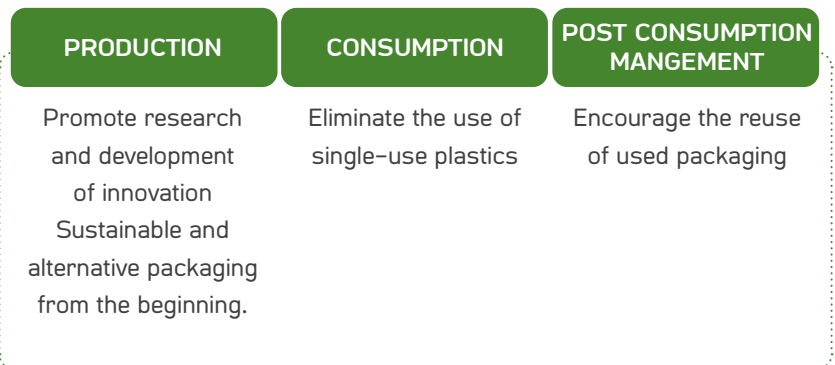
(Thailand and Overseas Operations*)

CPF is a part of driving forces the national BCG economic model (Bio, Circular and Green Economy) through the application of circular economy principles throughout the food value chain. This focuses on driving circular packaging management to increase efficiency in resource utilization. CPF is committed to conducting research, develop, design, and manage sustainable packaging along with promotion of the use of materials that reduce environmental impact under sustainable packaging policies and guidelines.

CPF constantly monitors expectations and discusses with stakeholders to effectively meet the needs of trading partners and consumers. The Company also jointly study and develops innovations with partners for the benefit to increase the proportion of recyclable packaging to support environmentally friendly operations in line with CPF Sustainable Sourcing Policy and Supplier Guiding Principle.

Sustainable Packaging

Sustainable Packaging Management Approach



Remark : *Overseas Operations cover the operations in Laos, Vietnam, Cambodia, Malaysia, the Philippines, India, Türkiye, and Russia.



In addition to the business in Thailand, CPF aims to expand its results to other business groups around the world, thus focusing on studying, designing, and developing ways to reduce the use of plastic packaging. We continuously applied both domestically and internationally, focusing on hotspots. In 2022, CPF succeeded in reducing plastic use as follows :

Feed business

Since 2013, the livestock business has **stopped using plastic bags** for packing animal feed and used Bulk Feed Tank instead.



Reduce the use of plastic by more than **13.5 thousand tons** in the past year.

The number has accumulated at **43.2 thousand tons** since the beginning of the project.

Reduce greenhouse gas emissions by more than **65.7 thousand tons of CO₂ equivalent** or **160 thousand tons of CO₂ equivalent** since the beginning of the project.

Aquaculture business

Since 2006, the aquaculture business has **canceled plastic bags** containing shrimp fry, developing the Q-Pass Tank to be used as a container for transportation instead. This bucket can be washed, sterilized and reused.



Reduce the use of plastic by more than **389 tons** in the past year.

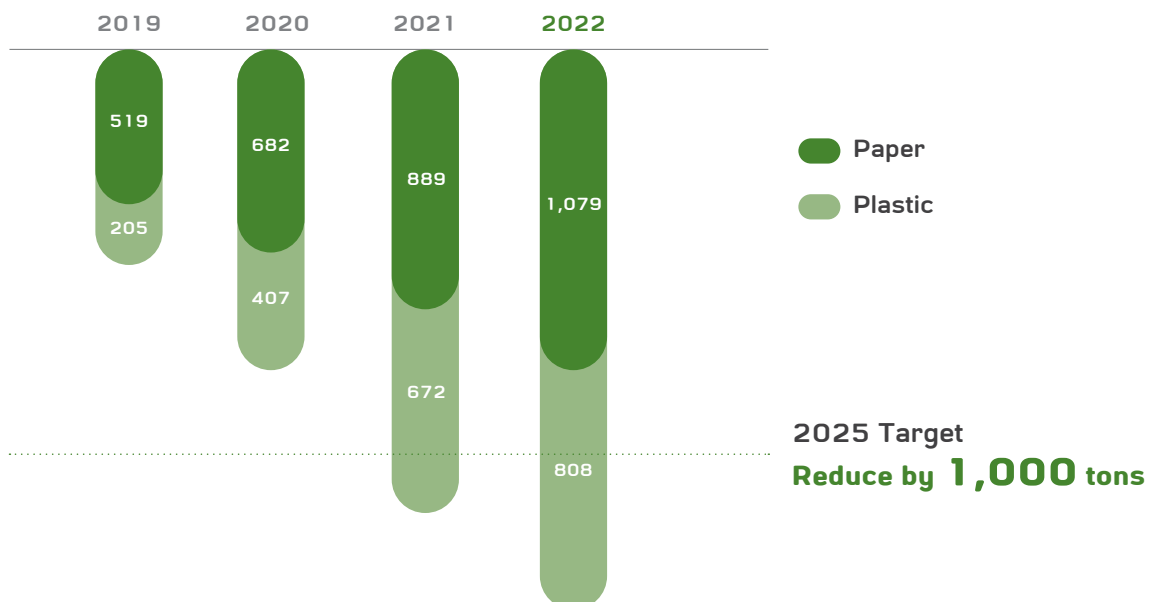
The number has accumulated at **2.0 thousand tons** since the beginning of the project.

Reduce greenhouse gas emissions by more than **1.2 tons of CO₂ equivalent** or **7.5 thousand tons of CO₂ equivalent** since the beginning of the project.

2022 Performance

Reducing the amount of Plastic and Paper in Food Packaging

unit : ton

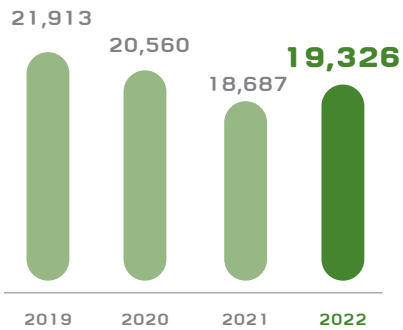


Consumption of Food Packaging

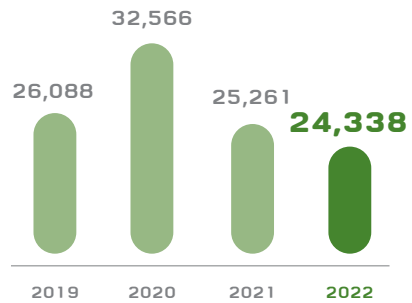
unit : ton



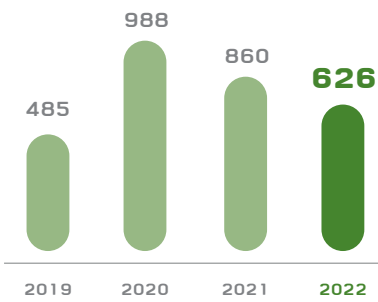
Plastic



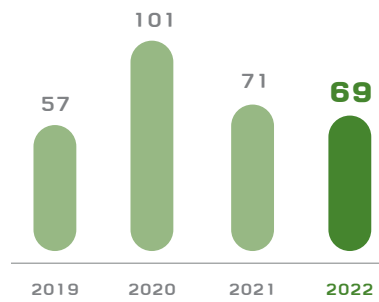
Paper and Wood



Glass



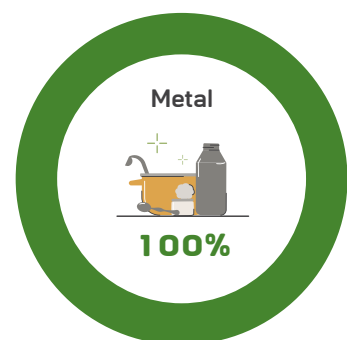
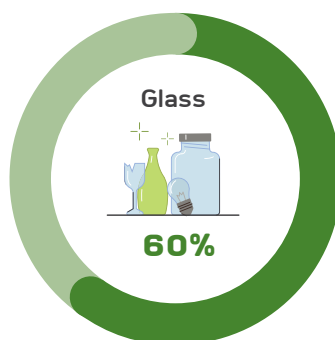
Metal



Further information on outstanding design and innovation for alternative packaging is available at



Proportion of Materials Reused in Different Types of Packaging



Proportion of plastic packaging for food products classified by types of plastics is available at





Biodiversity and Ecosystems



Responsible
Sourcing



Biodiversity and
Ecosystems



**CPF Grow-Share-Protect
Mangrove Forestation Project,
Paknam Prasae, Rayong Province**



2030 Targets

100%

of the key raw materials come from deforestation-free areas.

100%

of key raw materials are traceable.

2022 Performance

23%

of the key raw materials come from deforestation-free areas.

59%

of the key raw materials are traceable.

Responsible Sourcing (Thailand and Overseas Operations*)

Biodiversity loss is one of the world’s top three crises, along with climate change and pollution which is an environmental emergency. World Wildlife Fund (WWF) reported that between 1970-2016, the extent of biodiversity loss has been worrying. Mammals, avians, reptiles and amphibians decreased in number by two-third, or 68%¹. Unsustainable agricultural and food production systems can lead to deforestation, invasion of coastal areas, illegal fishing which are major factors leading to the loss of biodiversity. The consequence is the loss of ecosystem services, such as soil degradation, decreased rain and moisture, lack of shelter from wind waves, lack of nursery for aquatic animals, etc. This results in decreased productivity in agriculture and fisheries affecting the income and quality of life of farmers and small entrepreneurs. This includes the population in society is more vulnerable to various natural disasters.

Therefore, as a leader in agro-industrial and food business, CPF is committed to operating business that preserves biodiversity and ecosystems, no encroaching on forests, and promoting the restoration of forest areas. The goal is to both procure deforestation-free key raw materials to protect biodiversity and ecosystems throughout the supply chain by utilizing Blockchain Technology to raise credibility, create transparency, make customers confident in the source information of raw materials that come from a source without deforestation, free of human rights violation and labor malpractices, such as child labor, or forced labors.

¹ GCNT News, 14 October 2022, <https://globalcompact-th.com/news/detail/1165>

Remark: * Overseas Operations cover operations in Laos, Vietnam, Cambodia, Malaysia, the Philippines, and India



Management Approach

- **Establishing a policy on sustainable raw material sourcing** : comprises commitments in biodiversity conservation and combatting against deforestation including. This includes procurement approach, natural resource conservation target, and commitment against deforestation throughout the supply chain.
- **Conducting risk assessment and audits on suppliers' operations to assess environmental and social impacts throughout the supply chain** : as well as governing and supporting business partners to operate with social and environmental responsibility.
- **Traceability** : to monitor and create transparency throughout the supply chain. This is considered safeguarding natural resources and conservation of land and marine biodiversity.
- **The use of technology in the operation of the Company** : implement technology to enhance management efficiency throughout the supply chain, to competitive capacity to the Company and suppliers in the supply chain, enabling mutual sustainable growth.
- **Networking from local to international level** : to promote and scale up agriculture and fishery operational processes, which is environmentally friendly, both domestically and internationally.

Implementation Supply Chain Risks Assessment

CPF develops risk assessment and management processes to identify key ESG risks against business, such as labor malpractice and forest encroachment in the supply chain. The Company has introduced CPF Sustainable Sourcing Policy and Supplier Guiding Principle and CPF Supply Chain ESG Management Approach to use as risk management guidelines

by trading partners in the supply chain, and for communication with all stakeholders. The Company is also aware of potential risks in its supply chain that may coincide with deforestation and forest encroachment, therefore we have declared Biodiversity and Zero Deforestation Commitment covering all CPF business operations and suppliers.

Additional information on Sustainable Sourcing Policy and Supplier Guiding

Principle at



Additional information on sustainable supply chain approach at



Supply Chain Risk Management Performance 2022

1. CPF assesses and reviews sustainability risks (Sustainability Risk Identification) in social and environmental aspects including food quality and safety with suppliers with high purchasing volume. Suppliers who deliver raw materials critical to the production process and non-substitutable suppliers. The assessment was carried out in Thailand and Vietnam² operations with a score of 100%.
2. CPF selects new suppliers through an online Sustainability Self-Assessment, which covers key environmental, social, and governance (ESG) issues and/or assessed under Thai Labor Standards (TLS), representing 100% of Thailand and Vietnam operations.
3. CPF communicates and delivers CPF Sustainable Sourcing Policy and Supplier Guiding Principle for Tier 1 Suppliers of animal feed raw materials and other raw material suppliers in Thailand and Vietnam operations, already 100%.

Additional information on biodiversity and zero deforestation commitment



² Exclude data from operations in China, due to the change in Status of Chia Tai Investment CO., Ltd. ("CTI") which produces and distributes feed in China, from a subsidiary to a joint venture company. This means CPF's revenues from sales no longer include revenues from feed business in China.

Progress of the Written Acknowledgment of Sustainable Sourcing Policy

Countries	2019	2020	2021	2022	Targets
Thailand	100	100	100	100	100
Vietnam	100	100	100	100	100

4. CPF has assessed key suppliers³ in social and environmental aspects according to the 2030 target. In 2022, the Company conducted assessment across 100% of critical suppliers in Thailand and Vietnam operations. It was found that labor practices, overtime, and safety and occupational health are key issues that suppliers still need to be developed further. Therefore, the Company has coordinated with the business partners to develop and monitor the operations.

However, suppliers providing key raw materials which covered suppliers of direct raw material for feed production, and suppliers of indirect raw materials, i.e. seasoning and packaging, were assessed on social and environmental aspects as follows :

Percentage of Critical Suppliers Who Have Been Assessed for Social and Environmental Performance.

Country	Activity Coverage	2019	2020	2021	2022	Targets
Thailand	Suppliers for key raw materials : direct raw materials for feed production	100	100	100	100	100
	Suppliers for indirect raw materials : seasoning and packaging	100	100	100	100	100
Vietnam	Suppliers for key raw materials : direct raw materials for feed production	100	100	100	100	100
	Suppliers for indirect raw materials : seasoning and packaging	100	100	100	100	100

Remarks :

Activities in Thailand : in 2021, suppliers for indirect raw materials comprise of seasoning and packaging group, equipment and machinery group, fuels and chemicals

Activities in Vietnam : in 2019–2020, suppliers for indirect raw materials, namely seasoning and packaging group, fuels, chemicals, and machinery parts. In 2021, expansion was made to also cover service and maintenance groups.

³ Key suppliers :

Thailand operations cover suppliers of key raw materials, comprises direct raw materials for feed production, and suppliers of indirect materials, such as condiments and packaging group, equipment and machinery group, fuel and chemicals.

Vietnam operations cover suppliers of key raw materials, comprises direct raw materials for feed production, and suppliers of indirect materials, such as seasoning and packaging group, equipment and machinery group, fuel, chemical, machinery parts, management and maintenance.



5. CPF organizes meetings for CPF Capacity Building for Partnership Conference to build knowledge and to enable them to have potential for competitiveness and drive business excellence about sustainable growth, reduce the risks that occur in the environment and society that may arise in the supply chain to key suppliers and strategic partners.

Number of Participants in for CPF Capacity Building for Partnership Conference

Countries	2019	2020	2021	2022
Thailand	200	70	460	414
Vietnam	130	-*	133	72

Remark : * There was no conference in that particular year due to COVID-19 pandemic.

Sourcing Raw Materials with Zero Deforestation and Biodiversity Stewardship



CPF recognizes that food industry businesses rely a lot on agricultural raw materials. Acquisition of these raw materials may pose a risk of deforestation due to the conversion of forest and animal habitats to agriculture and animal farming which can affect the biodiversity of that area. Therefore, the Company is committed to responsible sourcing of raw materials by endorsing CPF Sustainable Sourcing Policy and Supplier Guiding Principle for the Company’s suppliers and is committed to biodiversity and against deforestation. CPF has set a target that 100% of the key raw material procurement, including, corn, fishmeal, palm oil, soybean meal and cassava must be traceable and not come from a source with deforestation. In 2022, 100% of CPF’s procurement comes from suppliers who comply with the sustainable procurement policy and guidelines for suppliers.

In 2022, CPF locally sourced* products and services from suppliers in Thailand at 96% of total purchase values. This is due to the Company’s recognition in the importance to develop and build domestic suppliers’ capacities in countries of operations to meet international standards. This includes increasing the capacities of food industry suppliers to support growth in production and creates an important safeguard significant mitigating prevention against problems and risks that may arise from supply chain disruptions.

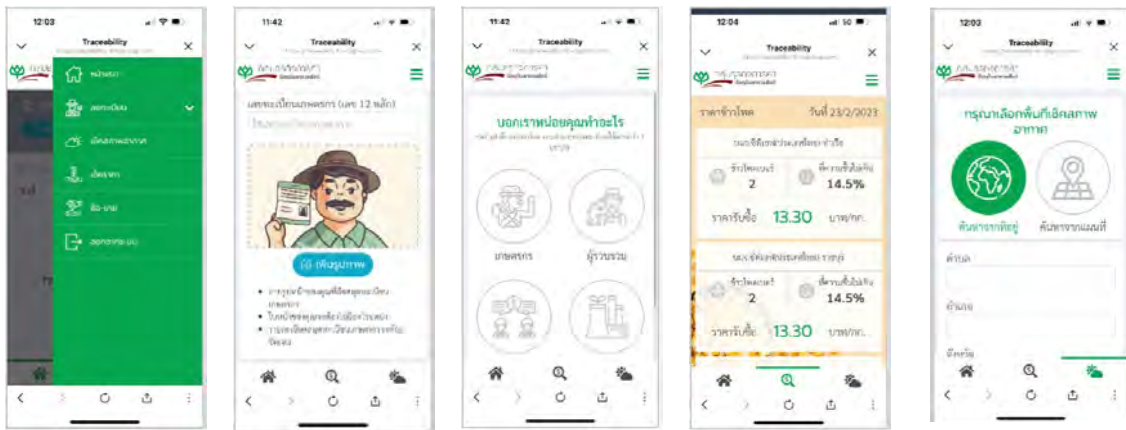
Remark : * Significant operations refer to operations within Thailand where the Company’s headquarter is situated
Locally sourced refers to purchase of products in Thailand

Traceability

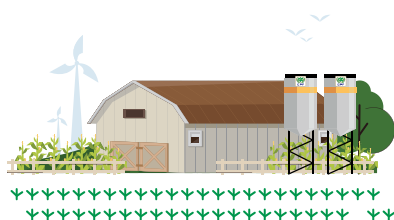
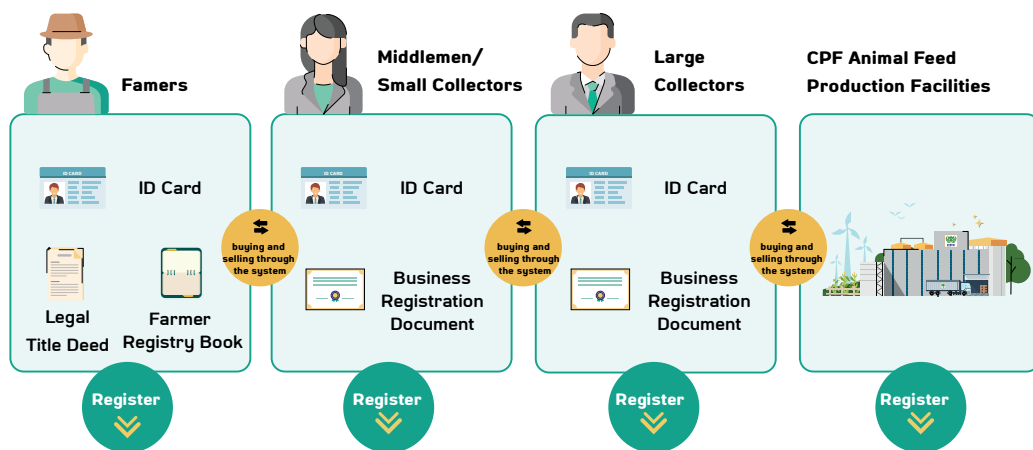
Traceability Communication in Feed Raw Materials



CPF has implemented a traceability system application for the procurement of key raw materials, namely corn, palm oil and cassava, for farmers in Thailand. This helps confirm the source and be part of the forest conservation through agricultural good procurement from areas with zero forest encouragement. Farmers in the network can register basic information, such as personal information, agricultural areas, and location. Farmers can also conveniently confirm sources. **Over 40,000 farmers** have registered into the system.



Maize Feed Procurement



CPF Corn Traceability System





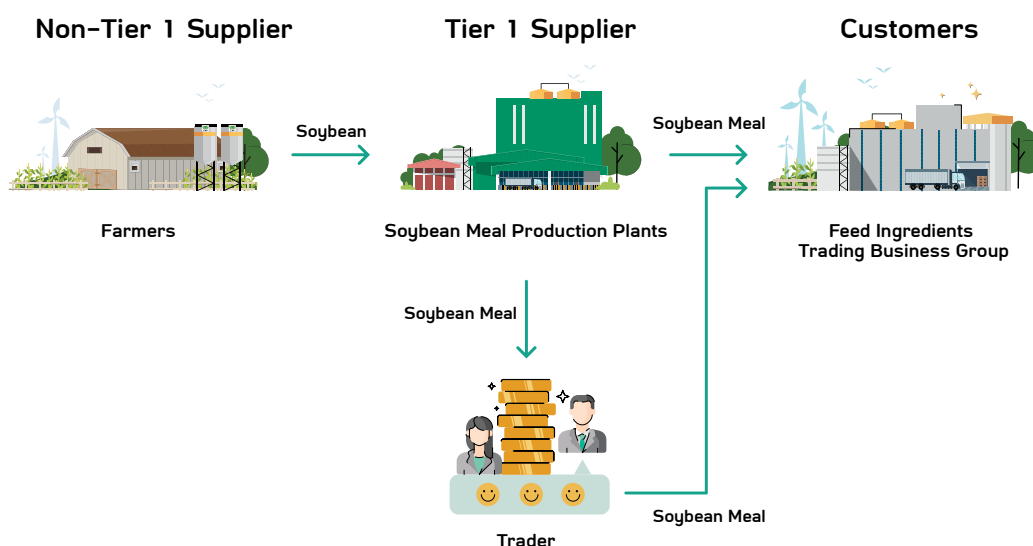
CPF procures maize for feed production through the Corn Traceability System and develops data management, which helps avoid raw material purchase from areas with forest encroachment or stubble burning. Both cases have environmental impacts on biodiversity and air pollution. Furthermore, the Company developed traceability management process with blockchain technology for accuracy and speed in traceability of agricultural raw materials.

CPF has a target of 100% maize production becoming traceable globally by 2030, as traced by to the acreage through the Corn Traceability System and a traceability system application with farmer registrations.

2022 Performance

- It was found that 100% of maize for feed in Thailand operations are traceable.
- Globally (including Thailand operations), 51.80% of maize for feed are traceable.

Soybean Meal Procurement



CPF recognizes that soybeans and soybean meal are considered agricultural raw materials with environmental risks concerning forest encroachment. The Company thus established the following management approach:

- Conduct risk assessment for soybeans and soybean meals' country of origins.
- Establish soybeans and soybean meal procurement in collaboration with suppliers and producers with the commitment for traceability system development. The aim is to confirm sources and oppose against growing and procuring soybeans planted on forest-encroached lands.
- Support sustainable soybean and soybean meal production under internationally accepted standards

CPF's goal is to ensure 100% of purchased soybean meal globally is traceable by 2030. Traceability should be to the country- and state- level of origins.

2022 Performance

- In Thai operations, 50.17% of soybean meal is traceable back to the country- and state-level origins.
- Globally (including Thailand operations), a total of 46.34% of soybean meal is traceable to the country – and state - level origins.

Palm Oil Raw Material Sourcing

The conversion of rain forests and tropical forests to oil palm plantations affects the environment and biodiversity significantly. CPF, as a leader in the food industry whose one of the key raw materials is palm oil, has demonstrated the commitment to protect forests and oppose against deforestation, in line with stakeholders' expectation on a global scale.

The Company therefore procures palm oil from internationally recognized sources, such as the Roundtable on Sustainable Palm Oil (RSPO), while implementing the Company's traceability application to ensure that the palm oil purchased is free from deforestation.

2022 Performance

- For Thailand operations, RSPO certified palm oil procurement accounted for 76% of palm oil procurement.
- For Thailand operations, 100% of the palm oil used in animal feed business is traceable to palm oil refinery through the Company's own traceability system. The Company aspired to expand collaboration to suppliers and farmers network to identify raw material sources and join forces in protecting forest and opposing deforestation

Fishmeal Procurement

Fishmeal is a raw material critical for feed business. It may be fishery by catch or processing by catch, either of which is directly related to marine ecosystem. Thus, to conserve biodiversity and marine ecosystems, as well as prevent human right violations from occurring in supply chain, the Company developed a fishmeal procurement regulation, thoroughly aligning with stakeholders' expectation:

1. Fishmeal that is a by-product from processing plants (By-Product)- CPF purchases fishmeal from factories that have been certified by MarinTrust standards in line with the Food and Agriculture Organization of the United Nations' Code of Conduct for Responsible Fisheries. Or fishmeal that is not a by-product of a species that is at risk of extinction as defined on the World Conservation Union (IUCN Red List of Threatened) Red List.
2. Fishmeal by-catch (By-Catch) certified by MarinTrust, an internationally recognized standard for sustainability and traceability of fishmeal. Certified by the International Fishmeal Organization (MarinTrust) or can be verified with legally supported inspection mechanisms from various sectors such as officials or representatives from the Department of Fisheries, entrepreneurs, relevant communities, consumers, and academics, etc.

2022 Performance

- For Thailand operations, 100% of fishmeal is a processing by products under MarinTrust standard
- For Vietnam operations
 - o A total of 56.91% of fishmeal is a processing by products under MarinTrust
 - o A total of 12.93% is a fishery bycatch and is under Fishery Improvement Plan
- Globally (including Thailand), a total of 56.6% of fishmeal procurement aligns with "Fishmeal Procurement Requirements," committed in biodiversity and marine ecosystem conservation.



100%

of fishmeal is a processing (By-Product) For Thailand operations



Results of Key Raw Materials' Traceability in 2022

RAW MATERIALS	TRACEABILITY PROGRESS (%)	EXTENT OF TRACEABLE ACTIVITY
Maize	51.80	Source of plantation
Soybean meal	46.34	country and state of origin
Palm oil	100	Processing plants
Fishmeal	56.61	Source of fishing
Casava	100	Processing plants
Total	59.11	Source of plantation

Remark : Fishmeal in operations in Thailand, Vietnam, India, Laos, Cambodia, Malaysia and the Philippines

Supplier and Farmer Capacity Development

Sustainable business growth relies on a large number of business partners. The Company therefore strives to build knowledge and understanding, as well as empower business partners for mutual growth, whether in financial aspect, raw material quality and safety development, or green organizational management. This extends to adherence to human right principle, fair labor practice, good governance which is transparent, traceable and corruption-free.

2022 Key Projects for Suppliers and Farmers' Capacity Building

CPF CAPACITY BUILDING FOR PARTNERSHIP CONFERENCE 2022



CPF is aware of its participation in strengthening and sustaining the agricultural and food industry's supply chain and is committed to developing business partners to grow together with CPF under the vision of "Kitchen of the World", which must be based on social and environmental responsibility throughout the business process. The Company thus focuses in exchanging knowledge and perspectives on sustainable business and social responsibility. A conference, under the framework 'Sustainable Partnership in Action towards Green & Smart Mutual Growth', was organized and received honor guests from the National Institute of Development Administration (NIDA)'s Graduate School of Environmental Development Administration, South Pole Group (Thailand), and the Board of Investment Office as speakers and panelists. Expertise and business guidelines concerning global warming adaptation was shared, raising suppliers' awareness, helping them acknowledge and implement the learning according to international standards. Recommendations on investment incentives for energy-saving projects, renewable energy projects, or environmental impact minimization projects were made. In 2022, there were **200 suppliers** from Thai businesses in participation. Furthermore, in Vietnam, a total of **130 participants** were in attendance.

CPF SUPPLY CHAIN SUSTAINABILITY FOCUS GROUP 2022



CPF organized a Focus Group Training to share knowledge and experience relating to workers, as well as occupational health and safety. These are the key issues suppliers must comply according to Sustainable Procurement Policy and Guideline for suppliers. Experts from CPF contribute by sharing and explaining details on various regulations, such as compensation and overtime compensation, annual leaves, work-related requirements, as well as fire prevention and extinguishment. This helps suppliers with high risks, identified from social and environmental risk assessment, learn of approach to further improve their operations. A total of **28 suppliers** participated.

CPF FASTER PAYMENT FOR SMES & INDIVIDUAL SUPPLIERS



Due to the situation of the continuous spread of Covid-19 in Thailand, it affects the business operations of all sectors, especially among SMEs that are experiencing problems with reduced sales and lack of financial liquidity. CPF therefore supports partners in the SME group to be able to carry out business continuously and promotes the creation of a good image of CPF to partners and awareness to society by reducing the credit term for SME partners to only 30 days. This increases liquidity in the business operations of SMEs and small farmers, it helps small businesses get through a critical period and can still produce and deliver goods, raw materials and services to CPF. This helps continuously build confidence and achieve mutual growth with suppliers. **Over 6,000 small and medium enterprises and individuals participated.**

CPF X BBL LIQUIDITY SCHEME FOR SUPPLIERS



CPF joins hands with Bangkok Bank to extend the Faster Payment project to the CPF x BBL Liquidity Scheme for Suppliers. It is another assistance program in the form of funding sources with special interest rates and no collateral needed. This helps small businesses and suppliers gain liquidity, crucial in CPF's production and delivery of quality food to consumers. Suppliers, particularly SME, have limited opportunities to loans with special interest rates. Addressing this means they have an opportunity for growth and expand into a large producer in the future. In 2022, there were more than **10,000 suppliers** or 100% of the suppliers, who are aware and can access the special interest rate funding project. The Company also plans to expand the coverage of the project to other businesses under the CPF in the future.



COMMUNITY SEWING PROJECT, CHAI NAM SUBDISTRICT, WANG THONG DISTRICT, PHITSANULOK PROVINCE



CPF has worked with the industry in Phitsanulok Province to buy the fabric from the community’s housewives group in Chai Nam Subdistrict, Wang Thong District, Phitsanulok Province, which is an activity to generate additional income for the housewives group. It also provides support to find sources of scrap fabric, which is the main material, to help reduce costs and help improve the sewing machine for the housewives group. In order to improve the quality of life and increase community housewives’ income. In 2022 this project can increase the income for the community housewives by approximately **60,000 Baht/year**.

SELF-SUFFICIENT FARMERS, SUSTAINABLE CORN PROJECTS



CPF is committed to develop capacities of maize farmers through the project. **“Self-Sufficient Farmers, Sustainable Corn Projects”** by educating farmers on planting soil analysis Plantation care weeding Including the use of suitable fertilizers according to agricultural standards. TAS 4402-2010 (Thai Agricultural Standard-TAS 4402-2010, Good Agricultural Practices for Maize). Technology has been adopted, such as the use of data collection applications, analysis of planting plots from satellite images, use artificial intelligence to monitor the integrity of corn ears, for example, increasing the quality of raw materials, build capacity and shorten operational time, reduce costs, and be prepared to deal with risks that may arise from climate change or fluctuations in raw material prices. In 2022, there are 462 smallholder farmers participating in the project, representing **25,054 rai (4,008 hectares) of planting area**.



Biodiversity Stewardship and Enrichment

CPF recognizes that agro-industrial and food business is dependent on natural resource. The Company thus created operational guidelines to monitor, analyze and find ways to reduce those impacts. It has announced its commitment to biodiversity and against deforestation covering CPF and its subsidiaries Tier-1 suppliers of CPF and the next tier. The main agricultural raw materials are procured, namely corn, fishmeal, palm oil, soybean meal, and cassava including working with networks both in Thailand and abroad for responsible sourcing no effect on biodiversity and develop a clearer inspection system along with conducting a Biodiversity Exposure and Assessment and protecting and restoring forest areas to restore biodiversity and improve it.

Partnership Networks

1. CPF in collaboration with the Thai Sustainable Fisheries Roundtable (TSFR) on behalf of the Thai Feed Mills Association pushes for the Fishery Improvement Project (FIP) for trawl fisheries in the Gulf of Thailand since the year 2013 onwards to raise the standards of fisheries in the country as well as being a role model for appropriate and sustainable fisheries in the region. This was conducted with reference to the requirements of the MarinTrust International Sustainability Standard (formerly IFFO RS) for multi-species fisheries. The project has been approved into the Improver Program by MarinTrust. The world's first multi-species and began operating according to the plan in November 2020. Currently, the Fishery Action Plan (FAP) is being implemented, which covers improving the management of trawl fisheries in catch, high-risk species management. Species), Reduction Component, Endangered Species (ETPs), Habitat, Ecosystem by jointly conducting research projects with fishery experts in 3 sub-projects, namely:

- 1.) Change analysis and assessment of resource conditions of catches from trawl fishing in the Gulf of Thailand
- 2.) Impacts of trawl fishing on biodiversity and marine environment in the Gulf of Thailand
- 3.) Analysis of trawl fishing areas in the Gulf of Thailand

The research project is in the process of implementing the project in the 2nd year (out of 3 years) with funding from the ARDA which foresees the importance of strengthening trawl fishing in the Gulf of Thailand towards sustainability that is accepted on internationally stage and global stage alike.

In addition, 45 fishmeal manufacturers who use by-catch fish have already expressed their intention to support the project, having passed the factory audit and has already been certified according to the MarinTrust IP standard for 3 cases.

2. CPF joins the **Seafood Business for Ocean Stewardship Coalition or SeaBOS** for international cooperation in protecting the oceans, natural resources, and marine environment. There is a mutual agreement to adopt international regulations throughout the supply chain, to promote legal fishing, to eliminate illegal workers, to develop a traceability system, to refrain from using antibiotics, to reduce greenhouse gas emissions, and to reduce the use of plastic through cooperation in research and development of technology along with practical application and practice. In 2022, CPF, in its role as a sponsor of the Working Group on Responsible Use of Antimicrobials, which is one of the six SeaBOS working groups, supported the Working Group in the preparation of the **“SeaBOS Antibiotics Code of Practice”**. Conduct by transferring operations and guidelines for shrimp farming to reduce the use of antibiotics. Formulation development using probiotics shrimp aquaculture management system with



“3 clean” principles, including the application of technology in the water treatment system to recycle and reuse water for reuse and promote safe and environmentally sound aquaculture practices for member companies to apply in their own business.



SeaBOS

In addition, CPF is committed to managing marine debris and protecting the oceans. This is in line with SeaBOS’ approach to plastic waste management under the Restore the Ocean project to take care and protect the marine ecosystem which is the source of sustainable food security in the world through various activities and systematic waste management. The project started from organizing the “**Beach Garbage**” activity to create participation and instilling awareness among employees of the Company with communities to clean beaches nearby CPF’s establishments. And there have been further activities to nearby communities, such as the “**Trap the Trash**” activity that we have joined with communities at the mouth of the canal to collect and sort waste from mangrove forests, processed into community products such as flowerpots, as well as promoting the creation of added value for marine waste according to the Circular Economy principle. The Company promoted fishing boats to collect waste from the sea back to shore and fishermen collecting waste in households and communities into the recycling process through the “**Trash Collection at Ports**” project to put the collected waste into the recycling process and turning waste into extra income for the community.

3. CPF co-established **the Fisherman’s Life Enhancement Center (FLEC) in Songkhla province**, active since 2016 to present. This has aided over 16,000 lives so far and it part of the efforts to

prevent human trafficking and illegal labour in the Thai fishing industry. The project’s aim is to develop quality of life and minimize risks of migrant workers falling victims to human trafficking around the fishing port in Songkhla Province, which has over 70,000 active migrant workers, one of the largest hub in Thailand. FLEC ensures that workers and their families receive protection and gain understanding on human rights and relevant laws, healthcare, first aid, family planning and reproductive health, as well as promoting basic learning for the children of the migrant workers. In 2022, 7 alliances from government, private and civil society organizations signed a Memorandum of Understanding. In Phase 2 (2021-2025), FLEC continuously safeguard rights and promote quality of life for migrant workers, in tandem with scaling up to self sufficiency through the principles of the circular economy by supporting vegetable garden project and bioextract production for use. FLEC promotes marine waste to value concept, driving understanding of environmental and social awareness, waste management and protection of marine resource.



In 2022, it has implemented activities to reach more than 200 migrant households and has initiated the “**Waste has Value**” activity as a sub-activity of the port waste collection project. In the form of a waste bank, it supports migrant workers to collect and sort waste in the community and the coast for recycling by bringing waste to exchange for consumer goods to generate income. This helps reduce s family’s expense. In the past year, over 800 kilograms of waste was collected; with over 300 migrant students, and support the community’s organic vegetable gardens, which has maximum yield of 40 kilograms per month.



2030 Target

Increase

20,000 rai

(3,200 hectares) of conservation, protection, and restoration of mangrove forests and watershed forests in strategic areas (Thailand Operations)

2022 Performance

Conserved, protected and restored mangrove forests and watershed forests in strategic areas covering

14,870 rai

(2,379 hectares)

Biodiversity and Ecosystems

(Thailand Operations)

Critical Biodiversity Risk Screening

The Company has conducted a critical biodiversity risk screening across 351 operational sites in Thailand, equivalent to 5,580 hectares, which include both terrestrial and marine areas. The assessment covers three businesses – namely, feed business, farm and processing business, and food business. Biodiversity impact assessment was conducted by mapping CPF’s operational sites with critical biodiversity areas which was recognized in international or national level, including terrestrial and marine ecosystem such as Key Biodiversity Areas (KBA), IUCN Red Lists, World Heritages Sites, Ramsar Wetland and national protected areas. Any CPF operational area found to be located within a 2 – 5 kilometer radius of a critical biodiversity area would be flagged as having high risk of creating impacts on biodiversity which must have designated biodiversity management plan. CPF employs tools, such as Integrated Biodiversity Assessment Tool (IBAT) and Geographic Information System (GIS) to map geolocation and measure the proximity between CPF operational sites and critical biodiversity areas.

Figure 21 Protected Areas

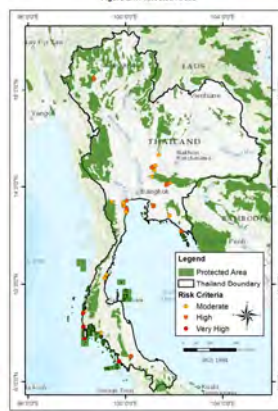
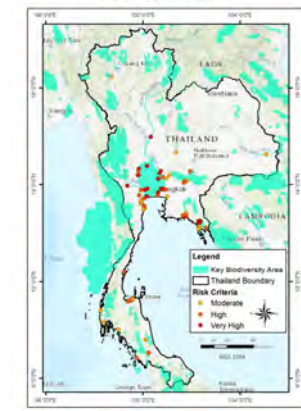
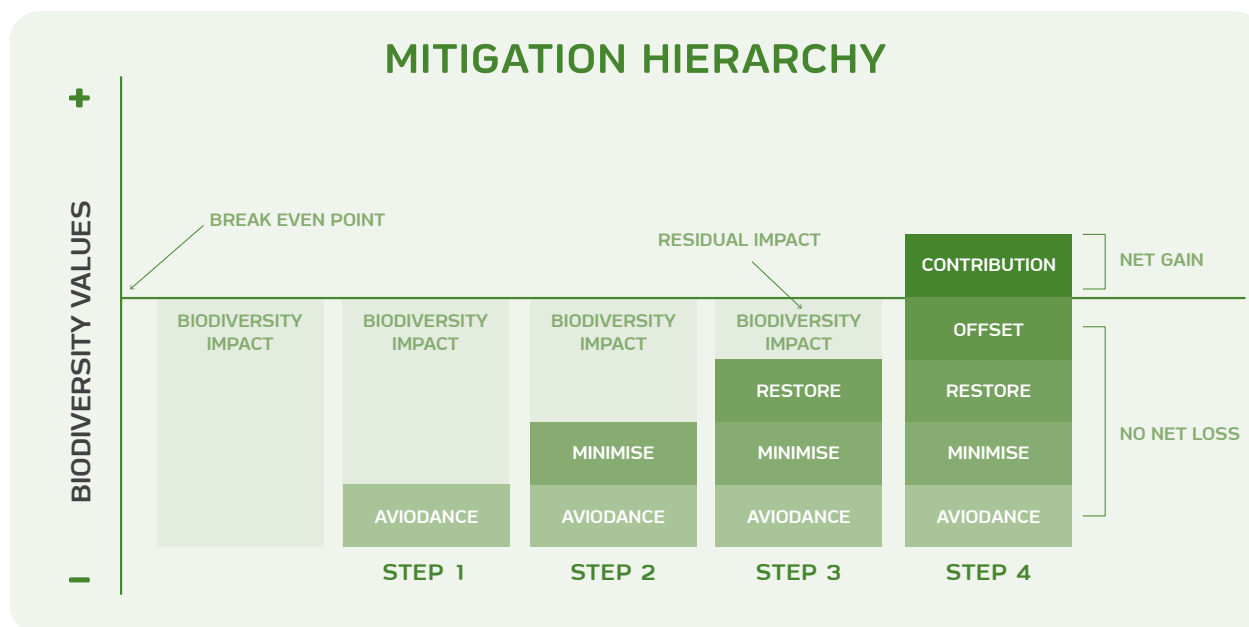


Figure 22 Key Biodiversity Areas





The result suggested that three of CPF operational areas which are farmland used for animal production, were located within a 2 – 5 kilometer radius of critical biodiversity areas. These three areas are located in Chiangmai, Nakhon Sawan, and Phuket provinces.



Thus, CPF has defined biodiversity risk mitigation plans for these sites based on mitigation hierarchy, consisting of measures to avoid, minimize, restore, and offset impacts on biodiversity.

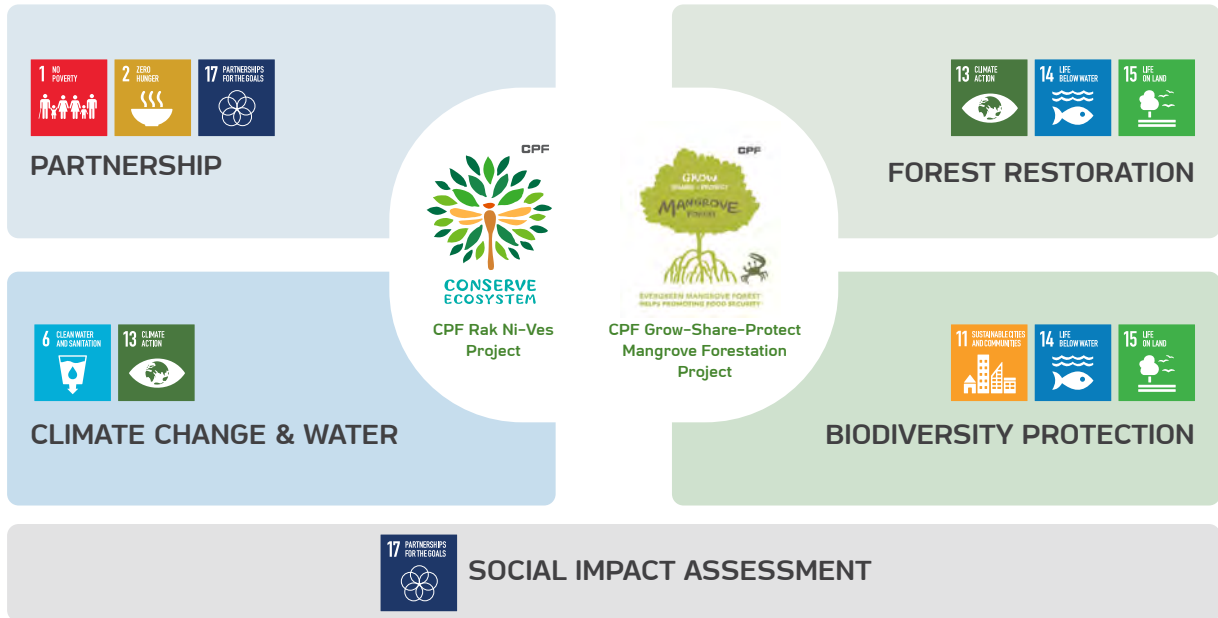
Restoring Biodiversity

CPF has a strategic framework for forest conservation and restoration through CPF Rak Ni-Ves Project and CPF Grow-Share-Protect Mangrove Forestation Project. Besides preserving and restoring natural resources which are a prerequisite to food security and a source of natural capital for agro-industrial business, CPF seeks to improve community livelihood and foster environmental conscience among locals for long-term coexistence with nature in harmony. Our framework includes activities as follows ;

- **Forest Restoration Conducting field surveys**, selecting vegetation & restoration methods that suit each location and developing infrastructure to enhance water resources.
- **Climate Change & Water Forests are key carbon sequestrator which will support Net-Zero target achievement.** Besides, forests provide soil water storage which is a source of water for local consumption both for agriculture and domestic utilization.
- **Biodiversity Protection Conducting research on flora and fauna (insects) biodiversity both terrestrial and marine**, which served as progress indicators for forest conservation and restoration, ensuring functioning ecosystems for species.
- **Partnership Engaging with employees**, local communities, youths, private sectors and interested parties through various activities e.g. tree planting, check dam building, forest weeding and youth camps. Aiming to build awareness on the importance of forests on biodiversity and community livelihood. CPF also developed social projects with co-benefits from forest protection for local communities which uplift their life quality.

- **Social Impact Assessment** Assessing impacts from our projects on economic, social and environmental aspects in line with Natural Capital Protocol and Social & Human Capital Protocol developed by World Business Council for Sustainable Development (WBCSD).

Strategic Framework for Forest Conservation and Restoration



CPF Grow-Share-Protect Mangrove Forestation Project



Since 2014, CPF has maintained ongoing efforts to promote the restoration of mangrove forests across 5 provinces – namely, Samut Sakhon, Rayong, Chumphon, Songkhla, and Phang Nga, in line with the Company’s mangrove forest strategy. This restorative action provided nursery habitat for marine species which contributed to increased biodiversity and improved integrity of coastal ecosystems. Furthermore, local communities also had better access to natural resources which improved their security and livelihoods. In 2022, CPF progressed on mangrove restoration in accordance with our action plan for Phase 2 (2019-2023) in 3 provinces; Samut Sakhon, Rayong and Trad spanning over 2,700 rai (432 hectares).



CPF works with external stakeholders to address marine debris and ocean pollution, which both create adverse impacts on coastal ecosystems, the integrity of natural ecosystems, and biodiversity. The efforts are implemented through the mangrove forest strategy in accordance with mitigation hierarchy which includes measures to avoid and minimize impacts. In 2022, the following projects were completed.

TRAP THE SEA TRASH



CPF established a partnership with a local community in Bang Ya Praek Sub-District, Samut Sakhon Province – an area located on Tha Chin River Estuary and connected to the Gulf of Thailand – to build community engagement and collaboratively reduce waste and improve waste storage and sorting processes. This initiative aims to align local waste management practices with the 3R principles and reduce waste volume in canals. In 2022, **a total of 3,150 kilograms of waste was collected**, of which **over 500 kilograms were recycled**.

In addition, CPF joined hands with Precious Plastic Bangkok and provided support through sharing our knowledge and resources. The Company worked closely with local communities to brainstorm ideas to upcycle plastic bottle caps and food containers to produce new products. These products were designed to reflect local culture, and the revenue generated went directly to the communities.

INTERNATIONAL COASTAL CLEANUP DAY



CPF invests in increasing public awareness and participation in ocean and coastal protection, targeting employees, communities surrounding operational areas, local government agencies, as well as civil society organizations. The Company supported beach and mangrove clean-up activities in seven provinces, including Samut Sakhon, Rayong, Trat, Chumphon, Nakhon Si Thammarat, Songkhla, and Phang Nga. In total, this initiative had the participation of over 3,000 people and over 100 organizations, altogether **collected over 13,000 kilograms of waste**. Waste collected included water bottles, plastic food containers, plastic bags, shoes, fishing gear, and light bulbs. This initiative helped reduce pollution and debris hazardous to marine species.

CPF RAK NI-VES, PASAK WATERSHED, KHAO PHRAYA DOEN THONG PROJECT

The “CPF Rak Ni-Ves, Pasak Watershed, Khao Phraya Doen Thong Project” is a collaborative initiative that helps address upstream forest issues in Thailand. CPF has taken an integrated approach through working with government agencies – including the Royal Forest Department and the Thailand Greenhouse Gas Management Organization (Public Organization), as well as local communities surrounding the forested areas. This Project aims to promote conservation and restoration of upstream forests in the Pasak Watershed to achieve positive social impacts and benefits for local communities. Throughout Phase 1 (2019–2020) and Phase 2 (2021–2025) of the Project, CPF supported conservation and restoration efforts covering 6,971 rais (1,115 hectares) of upstream forests in the Pasak Watershed. Reforestation in this particular area was unique and required less time compared to other areas. CPF worked with the Royal Forest Department to survey the area and determine the most suitable planting methods for each plot. It is our hope that this area will become a center for learning upstream forest conservation and restoration, demonstrating how ecosystems and biodiversity can be protected and showing in practice the use of carbon storage to support net-zero targets. Additionally, we have worked with communities on organic vegetables plantation and a fish nursery. Fish bred from this nursery will be released into the reservoir. Together, these efforts help build food security for communities surrounding the project area.



The Company has also worked with the Faculty of Forestry at Kasetsart University on biodiversity survey for birds, mammals, reptiles, and amphibians. Data gathered will be used to build a database and develop an index to measure the outcomes of conservation and restoration efforts on biodiversity. The Company conducted field data collection and monitored conditions through a camera trap. The survey revealed that the project area is a habitat to protected species, as defined in the Wildlife Conservation and Protection Act B.E. 2535 (1992). Protected species observed in the project area included the pangolins, a critically endangered species (CR) according to the IUCN Red List, the oriental darters, a near threatened species according to the IUCN Red List, as well as the leopard cats, the pine bunting, and the foxes, all of which are least-concern species according to the IUCN Red List. A breakdown of the number of animals observed in the Khao Phraya Doen thong project area that belong to species included in the IUCN Red List of Threatened Species is as follows.

	Critically Endangered (CR)	Endangered (EN)	Vulnerable Species (VU)	Near Threatened (NT)	Least Concern (LC)
Birds	0	0	0	1	126
Mammals	1	0	0	0	12
Reptiles	0	0	0	0	20
Amphibians	0	0	0	0	16



CPF RAK NI-VES, PASAK WATERSHED, KHAO PHRAYA DOEN THONG PROJECT (CONT.)

Through this study, CPF found that the project area had a “weaver swamp” that functioned as a natural water source. The swamp is also the upstream water source for the Huai Bong Reservoir, an important water source that local communities use for agriculture and consumption purposes. Furthermore, the weaver swamp is a key water and food source for birds and animals in the area, including little grebes, oriental darters, intermediate egrets, foxes, and leopard cats.



Pangolins, a critically endangered species (CR)



Oriental darters, a near threatened species (NT)

Following these findings, in 2022, CPF completed exploration and development in the weaver swamp area to increase its water storage capacity so that the swamp can serve as a water and food source for wildlife all year long. This activity will also contribute to making the Khao Phraya Doen Thong area a fertile forest that provide home to wildlife and safeguard biodiversity. CPF also organized an activity with employees and youths in the Khao Phraya Doen Thong area to plant vegetations that were food for animals and creating an artificial salt lick around the weaver swamp. This activity helps build the participants’ understanding of wildlife and appreciation of forest’s significance on biodiversity, reinforcing its value as a critical natural resource that is the foundation of food security for both humans and animals.



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